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# China Report

AGRICULTURE

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4 May 1983

# CHINA REPORT

## AGRICULTURE

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PROBLEMS OF PRICE SUBSIDY FOR AGRICULTURAL PRODUCTS DISCUSSED

Xiamen ZHONGGUO JINGJIWENTI in Chinese No 1, 1983 pp 49-52

[Article by Zhao Xinghan [6392 5281 3352]: "Several Problems Concerning Price Subsidy for Agricultural Products"]

[Text] Price subsidy is a mean by which the state regulates the economic life through the use of its financial resources. It is an important economic lever which, if properly used, can help promote economic development. For this reason, many countries in the world are using it on their exports and a very small number of commodities within the country. However, if the subsidy is too much and too extensively used, it will also produce unfavorable effects on economic development. Therefore, how to assess the role of price subsidy for agricultural products and how to solve the series of problems brought about by such subsidy have become an important topic for study and discussion by the comrades on the financial and economic fronts.

Agricultural price not only has a strong impact on finance, but also impinges on such questions as price reform, the peasants' burden, the way to enforce planned economy in agriculture and the law of value. This article will attempt to present some tentative views on these questions.

I. Causes of Excessive Price Subsidy for Agricultural Products

We did not have price subsidy in the procurement of agricultural products in the early days after the founding of the People's Republic. Along with the completion of the all-round transformation of the system of private ownership of the means of production, the expansion of the scope of control under planned economy has made it more practical and provided better conditions for the state to intervene in the economic life with the financial resources at its disposal. Later, in setting the procurement prices for agricultural products, it might have relied fairly much on the subjective factors with the result that the factors of value and of supply and demand were overlooked, or that the necessary price adjustments could not be carried out in time. Furthermore, the agricultural products with the characteristics of commodity have to be exchanged according to the principle of equal value; otherwise, the peasants would change their planting plan and choose to plant the more profitable crops. Therefore,

whenever there is any conflict between the innate requirements of commodity economy and the state plans in the procurement prices of agricultural products, price subsidy will become a means for the state to regulate its economic relationship with the peasants through the use of its financial resources. In this way, price subsidy undertakes a regulative task. The sharper the conflict, the greater will be the regulative role played by price subsidy. Once started, the price subsidy for some products cannot be easily discontinued. Thus the amount of subsidy continues to increase year after year. Specifically, the causes of excessive price subsidy for agricultural products can be attributed to the following aspects.

First, the need to stabilize the livelihood of workers and staff members. When the market prices were unstable in the early post-liberation period, wages in the form of money had to change along with the changes in market prices in order to ensure that a realistic level of wages could be maintained for the workers and staff members. Later, when the market prices had been stabilized, the wages were for a long time frozen under the influence of the leftist line. Thus the roles of wages and commodity prices were reversed, since the prices must be subordinate to the workers' stability of livelihood. When the wages remained unchanged, the rational adjustment of market prices was also restricted with the result that when on several occasions the state procurement prices for agricultural products were raised, their selling prices could not be correspondingly raised, and commerce had to incur losses from the abnormal disparity between the procurement and the selling price. Price subsidy had to be resorted to for the solution of this problem. The financial outlay on this type of subsidy ran into billions of yuan each year in the past. In 1981, the subsidy for losses from the sales of grain, edible oil, meat, fish, eggs and vegetables alone amount to approximately 8.5 billion yuan.

Second, the contradiction between increased prices for above-quota procurement and prices for state procurement. Under conditions of commodity production, when one type of commodity has more than two prices, the commodity producers will naturally desire to sell at the better price. When the price for above quota procurement is 30-50 percent above the state procurement price, there will be objective economic conditions for people to sell at the higher price before their state procurement quota is fulfilled. It may even tempt the peasants to change their crop pattern so that they will plant less of those crops for which there is a procurement quota, or a high procurement quota, and plant more of those for which no, or low, procurement quotas have been set, and then sell the products with increased prices. This has been one of the important reasons for the continued drop in the state procurement quota, the continued rise in the quantity of above-quota procurement and the continued increase in the subsidy for the increased prices for above-quota procurement year after year.

Third, the defects in the regulations and the administration of subsidy for increased prices of above-quota procurement. Under existing regulations, the central financial authorities are totally responsible for the payment of increased prices of above-quota grain, cotton and edible oil

procurement, while the localities have no economic responsibility whatsoever. Wherever there is no, or low state procurement quota, the ratio of increased prices of above-quota procurement will be high and the peasants will have more income. This can easily induce some localities to take the liberty of lowering the state procurement quota, raising the ratio of above-quota procurement and widening the margin of price increase, out of consideration for local interests. In some areas, communes or production brigades where there were originally low, or no, state procurement quotas and where production has already been developed with a high proportion of commodities, the state can find no way to raise their procurement quotas. Therefore, the defects in the regulations of subsidy is also one of the important causes. Defects also exist in administration. Too many departments are involved in the procurement of agricultural products, and there is no unity of rights and responsibility. For example, the price departments are in charge of state prices; the finance departments are in charge of subsidy; the commercial departments are in charge of procurement; the agricultural departments are in charge of the quotas; and the local planning commission or finance commission are in charge of sales in the nature of rewards. Price, subsidy, quota and reward sales are the factors in the actual level of procurement prices, and the price under the charge of the price departments is but part of the makeup of the actual procurement price, while the procure-quota, the ratio of increase price and the supplies to be sold in the nature of rewards are separately administered by the other departments and the localities. The powers and the corresponding economic responsibilities among the departments, the localities and the central financial authorities are not clearly defined, and that is why, despite the central authorities' repeated announcements to the contrary, the practice of raising prices at will, increasing the subsidy, and expanding the scope of negotiated prices and reward sales with every possible means and under various pretexts still remain and cannot be effectively prevented in many localities. The commercial departments are thus compelled to pay higher prices for their incoming goods, and their losses thus incurred have to be subsidized.

## II. The Role of Price Subsidy for Agricultural Products in Economic Life

At present, the price subsidy for agricultural products in our country is mainly for the increased price for above-quota procurement, for losses incurred from the abnormal disparity between procurement and selling prices, and from other forms of prices. This type of subsidy, from either the historical or the present point of view, is necessary before there can be an all-round readjustment of the procurement and selling prices for agricultural products. Its positive role in safeguarding the peasants' economic interests, in arousing their enthusiasm in production, in stabilizing the market prices and the workers livelihood and in promoting the excellent situation of social stability and unity, cannot be possibly overlooked. However, while affirming the necessity and the positive role of this subsidy, we should also be aware of some negative aspects of price subsidy on the economic life. The main aspects are as follows:

First, the state's financial burden is too heavy. In 1981, the state's subsidy for more than 20 different types of commodities (including the five types of imported commodities) totaled 32 billion yuan, or one-third of the state's total budgeted expenditure; and more than 80 percent of this amount was used on prices connected with agricultural products. Unless effective measures are adopted to stop it, the volume of subsidy in future will continue its rise at the rate of billions of yuan each year. Thus a huge portion of increased revenues from the increase in production will be consumed by subsidy.

Second, increased price for above-quota procurement is disadvantageous to the rational pattern of crops and to the implementation of agricultural production plans. Increased price for above quota procurement is calculated on the basis of the base quota of state procurement. In places where the state procurement base quota is high, the ratio of increased prices for above-quota procurement is low; in places where there is low, or no, base quota, the ratio of increased price for above-quota procurement is high, and probably all products will be sold at increased prices as above-quota procurement. Economic interests will induce the peasants to plant those crops promising higher profits, and this is disadvantageous to the old producing areas where the proportion of commodity is fairly high. It is also disadvantageous to the steady development of the main producing areas and will to a certain extent disrupt the rational crop pattern.

Third, the increased price for above-quota procurement disturbs the uniformity of the price level and is inconvenient to economic accounting. A commodity with different prices can be both expensive and cheap, and it is difficult to determine the actual price for figuring out the production cost and profits in agriculture. In buying in their goods, the commercial departments will have to pay at both the state procurement price and the increased price for above-quota procurement price. This will cause more complications to the commercial departments in pricing when they transfer the goods to other departments. It would be even more complicated if the agricultural products, procured at a subsidized price, are supplied to the processing departments to be used as raw materials at the unified transfer price, because the social production cost of these finished products will be artificially lowered. This will not be able to reflect the price of social consumption and is disadvantageous to economic accounting or the the practice of economy by using substitutes.

Fourth, it is disadvantageous to price administration. At present, the actual price level for procuring agricultural products is not decided only by the price departments which set the official price for state procurement and the margin for the increase in price for above-quota procurement, but also in a large measure by the localities which set the base quotas of state procurement. Thus even though the official price for state procurement and the margin of price increase for above-quota procurement remain the same, the lowering of the base quota for state procurement will bring about a rise in the actual price level for procurement.



Fifth, subsidizing the commercial departments for their losses as a result of the abnormal disparity between the buying and selling prices, or other losses from pricing will make it impossible for wages to reflect the actual amount of living labor consumed in production. It will also be a hindrance to their economic accounting and normal commodity circulation, and give an opportunity for speculation by manipulating the prices. Finally, it is disadvantageous to the practice of economy in the consumption of agricultural products.

### III. Solution of the Problems of Price Subsidy for Agricultural Products Explored

As already pointed out, price subsidy for agricultural products is caused by the unduly low state procurement price which brings about an increase in price for above-quota procurement, while subsidy for losses resulting from the abnormal disparity between buying and selling prices is caused by the subordination of price to the wage level. Therefore, the problems with improper price subsidy for agricultural products can only be gradually solved along with the rational readjustment of planned prices and the wage reform. Before the solution of these problems, price subsidy for agricultural products has to be maintained. However, in the immediate future, we can eliminate certain chaos and check the continual increase in subsidy by streamlining its administration, in order to reduce its pressure of the state finance.

First, we should readjust the base quota for state procurement of agricultural products and set the various types of subsidy in order. These base quotas in various localities cannot be lowered without prior approval by the higher authorities, while those which have been lowered without approval should be returned to their original level. In important producing areas, new producing areas, communes and production brigades where the ratio of procurement at above-quota prices to the total procurement is fairly high, the procurement base quotas should be revised by referring to the actual output and volume of procurement in the past 2 years. In the production teams, the ratio of above-quota procurement, for which a higher price is paid, should not be more than 30 or 40 percent. When the prices of commodities have been set by the state, the localities should not increase the subsidy under various pretexts. Any unjustified increase should be abolished.

Second, the regulations for subsidy should be changed in such a way that there will be financial responsibility at all levels, and the party using the agricultural products will also take care of the subsidy. If the central authorities distribute these products, the central authorities will be responsible for the subsidy; and if the locality uses the agricultural products, the locality will be responsible for the subsidy. For the amount distributed by the central authorities, there should be a system of quota responsibility which the provinces must fulfill. These changes in the subsidy regulations will help prevent the reduction of procurement base quotas by the localities and keep the increase in the ratio of above-quota procurement under control.

Third, for the agricultural products whose procurement base quota cannot be easily determined, an average mixed price of fixed proportions of state procurement price and increased price for above-quota procurement should be adopted. The average mixed price should be slightly lower than the actual average procurement price. For those products for which the actual procurement price is already too high, the average mixed price should be lowered. Adoption of the average mixed price should be helpful in reducing the state's outlay. Some areas have already adopted the average mixed price which has proved to be effective in solving contradictions between state procurement price and the increased price for above-quota procurement. Their successful experiences can be used for reference. In using the average mixed price, the proportion of above quota procurement should be set by the central authorities under a unified arrangement. For the areas requiring preferential treatment, some preferential proportion can be set. Between different regions, the prices should be well coordinated through some rational regional differentials so as to avoid uneven prices in different regions.

Fourth, in some areas where the agricultural income is fairly high and the agricultural tax is low, such as in the suburban counties of large cities, an appropriate rise in the rate of agricultural tax should help make up for part of the outlay on price subsidy for agricultural products. At the same time, we can accumulate experiences in changing the form of the responsibility of peasants.

These four measures can be used to control the increase in the amount of price subsidy for agricultural products and to alleviate the sharp contradictions, caused by the subsidy, temporarily. However, they still cannot basically eliminate the side effects of such subsidy. Furthermore, if not properly carried out, these measures can lead to contradictions in other aspects. Therefore, they can only serve as an expedient, and the method to solve the problem still needs to be studied. For the present, we should have a unified understanding and a distinctive orientation and create the necessary conditions for a fundamental reform when the time is appropriate. I believe that the basic way to solve the problem of price subsidy for agricultural products can be studied in the following aspects.

First, we should strengthen the regulative role of planned prices, rationally readjust the procurement prices for agricultural products, and abolish the increased price for above-quota procurement. Some comrades have confused the price regulation under the conditions of socialist planned economy with market regulation and set planned price regulation against planned economy as though price regulation will naturally be accompanied by a state of anarchy. Thus, in their opinion, price regulation and planned economy are mutually exclusive and cannot coexist. This is in fact a misinterpretation of price regulation. Under the socialist system, the main body of price is planned price, which is different from free price. Their different regulative roles should be separated. Free price is based on the law of value and supply and demand.

It fluctuates along with the changes in the conditions of supply and demand. Planned price, however, is based on the basic socialist economic laws, the law of planned and proportionate development, the law of value and the other economic laws. Since it conforms with the objective economic law, it is relatively stable and free from the effects of frequent changes in value and supply and demand. It is also possible for the state to carry out timely readjustments so as to bring into play its regulative role in economic life and to avoid the state of anarchy. Therefore, planned price itself is an important means of planned regulation, and part of planned economy. It is incorrect to summarily dismiss price regulation as being antagonistic to planned economy. We must have a correct approach to the question of the regulative role of planned price and appropriately readjust the irrational prices before we can avoid the mistake of leaving planned price out in the cold at the moment when it should play its regulative role.

Second, we should readjust the agricultural tax and change the policy of relying on pricing for agricultural accumulation. In 1952, 20 percent of our revenues came from agriculture. In 1978, it was down to only 3 percent. This percentage does not indicate the peasants' real contribution to our state revenues, since the state is still obtaining part of its accumulation from the peasants through the channel of prices. This was how the Soviet Union raised its accumulation funds for industrialization when it was under the leadership of Stalin. Our practice in the past 30 years has proved that obtaining accumulation from peasants through price can produce very unfavorable effects. First, it is disadvantageous to economic accounting, and can easily lead to extravagance and waste, since things of high value become cheap. Second, it is disadvantageous to the planned and proportionate development of various sectors of the national economy. Third, it imposes an unreasonable burden on the peasants, because the peasants delivering more products will have to bear a heavier burden. Fourth, when circumstances necessitate the grant of price subsidy, the state's financial burden is increased. At present, people are still not quite clear about the first three adverse effects, although, actually, their handicap to economic development is no less than a heavy financial burden. Way back in the 1960's, Sun Yefang [1327 0396 2455], a noted economist in our country, proposed a change in the peasants' responsibility, and the same proposal was reiterated in 1978. Then in 1979, the procurement prices for agricultural products were increased by a wide margin, thus improving the price parity between industrial and agricultural products, increasing the peasants' income and raising their standard of living. However, while raising the procurement prices of agricultural products by a wide margin, we will not be able to maintain a balance of receipts and payments, if we do not raise the agricultural taxes. I feel that in economic life, both price and tax have their own different roles. Price should be helpful to exchange at equal values and economic accounting. The result can only be limited if we rely on price for redistribution. However, tax need not be returned and is specially intended for carrying out redistribution. Giving the role of tax to price will create difficulties in



exchange and economic accounting, and relying on price to increase accumulation cannot guarantee steady financial revenues. In future, therefore, the purpose of raising the procurement prices for agricultural products should be to maintain a rational price parity; the improvement of peasants' livelihood will mainly rely on economic diversification; and the extent of peasants' contribution to state accumulation will mainly be decided by agricultural tax on the basis of the state's financial needs. Price and tax play different roles, and each one should function separately.

Third, we should raise the marketing prices of agricultural and sideline products in combination with wage readjustment so as to gradually abolish the subsidy for abnormal disparity between buying and selling prices or for other losses resulting from pricing. Since the liberation, we have many times raised the procurement prices without corresponding revisions of the marketing prices. As a result, we had to subsidize the losses from the abnormal disparity between buying and selling prices and from other forms of pricing. This subsidy can only be a temporary expedient but not a permanent measure. Now our subsidy for other than wages is too much. According to a survey in Beijing, the state's subsidy for workers' consumption, in addition to wage subsidy, amounts to 600-700 yuan for each person annually, which is equivalent to the nominal wages of an ordinary worker. Of course, this includes the rent and other subsidies in addition to the price subsidy for agricultural and sideline products. With such a large subsidy, it will be impossible for wages to reflect the workers' actual consumption level. Nor will it help in economic accounting for the enterprises and in economizing on consumer goods. Therefore, we must strive for a correspondence of the prices of consumer goods to their value. Wages should not be a handicap to the rational readjustment of the prices of consumer goods; they should also be appropriately readjusted along with the changes in the prices of consumer goods. Because of the improvement of the state's economy and of the people's livelihood, it is entirely possible to gradually abolish the subsidy for abnormal price disparity and for other losses from pricing.

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'GUANGMING RIBAO' ON GETTING RICH THROUGH LABOR

HK010814 Beijing GUANGMING RIBAO in Chinese 20 Mar 83 p 3

[Article by Ying Guang [2503 0342]: "What Does It Mean for a Number of People to Get Rich First in the Rural Areas?"]

[Text] Since the 3d plenary session of the 11th CPC Central Committee, a number of people in the countryside have gotten rich rapidly through labor in the wake of the reform of rural economic policies. What does this situation represent?

First, this situation represents a rapid development in social production and a sharp increase in social commodities. Generally speaking, if a peasant household earns about 10,000 yuan a year, he can furnish society with a great deal of commodities. It may sell some tens of thousands of jin of grain, or several thousand jin of cotton, or several thousand chickens, or several thousand jin of eggs. Some people do not directly take part in farm production, but do other kinds of work which serves in farm production, such as providing technical assistance and labor forces and transporting commodities. All these help either directly or indirectly to develop commodity production and exchanges and ensure a good use of material wealth.

Second, the situation shows that people's enthusiasm in labor and production has been greatly aroused. When the practice of the "big pot" played a main role in management, people went to work but often idled about. Through reform of the managerial system, responsibility has been properly linked with power and benefit. Thus, the enthusiasm of the peasants in production has been vigorously mobilized. Now, there are indeed a number of peasants who can earn several thousand yuan or 10,000 yuan a year. But this is hard to come by. These peasant households work tremendously hard from dawn till dusk every day. They sweat at their work much more than before. What they gain is by no means a windfall gain.

Third, this situation shows that the wisdom of the peasants has been given full play and their knowledge of science and technology has increased. As a matter of fact, there is a great amount of "talent" among the 800 million peasants in our country. They are well-skilled and experienced and know business and management well. Nevertheless, old conventions were tying their hands. After adopting new methods, the situation changed immediately. These people have freed themselves from their old thinking. They now rack their brains to find ways and

means in production. They cultivate land that had lay waste in the past. They once again foster trades which had been disrupted. Barren hills have now been turned into mountains with numerous fruit trees. Previously dead water areas now abound with fish. Businesses which had long suffered losses today show increased profits. These talented people also attach great importance to absorbing new techniques and experiences. Apart from the party's economic policies, this is why they can run their businesses well with increasing profits.

Fourth, the situation is also the result of radical changes in rural life. When the income of peasants increases, how do they spend this money? Roughly speaking, they usually invest in the expansion of production, buying small farm machines or tools, or good strains of seeds or else synthetic fertilizers. Meanwhile, they also spend the money on improving their living standards, material and cultural, so as to narrow the gap in people's livelihood between the rural and urban areas. In the past, people viewed the rural areas as poverty-stricken, with old thatched cottages and people with worn-out clothing. Today, some people have new houses, fashionable clothing, electrical appliances, and even motorcycles. The life of "bumpkins" has begun to change--from old-fashion to modern. In the past, when talking about the countryside, people used to think of a situation marked by ignorance, a lack of culture, science and reaction, and of people not well-informed. But today, those peasants who have gotten rich first have begun to live a completely new life. They study science, read newspapers, listen to radio and study new data to improve farm production. Some of them even raise funds to run schools, cinemas and shops. Under the influence of these people, a new-type rural fair will arise and a new-type rural cultural center will appear.

However, some people are sceptical toward the policy of having part of the people get rich first. On the whole, they are not clear about two problems: First, they are inured to equate getting rich with exploitation. These people fail to understand that what we did in the past in the agrarian reform and the socialist transformation of the capitalist industrial and commercial enterprises was entirely different from the chivalrous conduct of helping the poor by robbing the rich. What we did in the past was aimed at abolishing the feudal land system and the capitalist system which were obstacles to the development of production. As a matter of fact, we opposed the exploitation of landlords but did not oppose categorically getting rich in a legal way. Second, some people generally agree that our socialist country must begin thriving as quickly as possible. However, do they really think about how to attain this goal? In the past, we used to say that we should follow a path to amass riches together. Roughly speaking, this is correct. However, amassing riches together does not mean getting rich at the same time or simultaneously. What we really advocate is that all people must progressively advance toward getting rich, but the level of richness must vary. Some people may get rich at a quicker pace, and some at a slower pace. This conforms to the law of economic development and accords with the aim of the communist party and the socialist country.

'RENMIN RIBAO' STRESSES FORESTRY CONTRACT SYSTEM

HK080831 Beijing RENMIN RIBAO in Chinese 6 Apr 83 p 2

[Commentator's article: "Do a Good Job in Instituting the Contract System and Promote Reform in Forestry"]

[Text] On 21 March, our paper carried a report on how Hebei's Fengning County proceeded from 10 points to improve the system of contracted responsibilities for planting trees on barren hills. Today, it carries another report on how the hill forests in Hunan's Changde Prefecture have been assigned to households for management on a contract basis. Of these two localities, one is in North China and the other is in South China. Both have achieved good results in tree planting and forest management although the contract systems they adopt are different in form. Their methods of work put forth a problem worthy of serious study in carrying out reform in forestry.

Large numbers of trees have been planted in various localities over the past few years, resulting in a tremendous development in forestry. However, two questions need to be solved in order to develop forestry. One is that the unhealthy practice of indiscriminately felling trees has not yet been stopped in some localities. The other is that the survival rate of newly planted trees is low. A sapling takes a long time to grow into useful timber (and to bear fruit). Hence the popular saying "a tree takes 10 years to grow." In fact, many kinds of trees take more than 10 years to grow into useful timber and to bear fruit. Trees are beneficial in many ways. Their branches, leaves, flowers, fruit and timber are attractive to people who need them. They are therefore easily subject to destruction. It is these characteristics which determine that trees take much longer than ordinary farm crops to grow and yield profits and that forest workers have to exert much more strenuous efforts. For this reason, it is necessary to implement forest rights and establish a strict responsibility system in order that the forest workers will be more devoted to their work and cherish a great sense of responsibility. In the past, tree planting and forest management were carried out by arousing the masses to rush headlong into action. The results were not very good because forest rights and the responsibilities were not clarified and the enthusiasm of the masses was not fully whipped up.

Plant more trees, take good care of them, make them yield beneficial results, increase the vegetation on the earth and produce more timber and fruits for society--this is the starting point of the reform in forestry and the purpose of developing forestry. The masses should be boldly aroused to do all things

meeting this requirement. Inspired by the system of contracted responsibilities with payment linked to output as instituted in agriculture, some hilly and forest regions have liberated thinking and adopted flexible policies. They either allot to the commune members greater plots of hilly land for their private use or assign plots of land on barren hills to individual peasant households or groups of peasant households for afforestation. The trees belong to their planters. Forest rights remain unchanged for a long period of time and are inheritable. In localities where this method of work is adopted, the barren hills which lay idle for many years have quickly become full of life. In some places, the form of forest management has been improved so that a forest belonging to the collective is managed by individual commune members or a group of commune members on a contract basis. In this way, the rights to manage the forest and the responsibilities for cultivating the trees are clearly defined, so as to ensure production of timber and fruit. Being given decisionmaking power, the forest workers take good care of the trees and carry out scientific management. Subsequently, forestry takes on a new look. This new way of developing forestry in the light of local conditions deserves to be seriously studied by the leaders of various localities and to be popularized according to local conditions so as to quicken the pace of reform in forestry.

The institution of responsibility systems of various forms in forestry has opened up beautiful and bright vistas for the development of forestry. The leading organs and the offices in charge of forestry in various localities should give vigorous support regarding funds, skills and saplings and continuously sum up experience so as to improve the measures, rules and systems regarding tree planting and forest management. Efforts must be made to clarify the guiding ideology, formulate practical methods of work and effective measures, arouse the enthusiasm of the masses and mobilize everyone to cultivate and protect trees on hills. Once this is done, the day is not far off when "trees thrive and streams are filled with water" in the mountain and forest regions.

CSO: 4007



## COMMENTATOR STRESSES IMPORTANCE OF GROWING GRASS

HK060903 Beijing RENMIN RIBAO in Chinese 4 Apr 83 p 2

[Commentator's article: "Growing Grass Is as Important as Growing Trees"]

[Text] Gansu Province's Tongwei County was formerly regarded as an area of "incurable" poverty. The area was haunted by droughts, its land was poor, its food grain output was low and the livelihood of the masses there was very difficult. Now, the county CPC committee there is determined to pay attention to the major task of growing grass and is leading the masses of people in "promoting the development of animal husbandry through growing grass and promoting the development of agriculture through the development of animal husbandry." This is a correct path to follow.

For a long time in the past, because of the influence of the "leftist" guiding ideology, poor areas haunted by droughts like Tongwei County also blindly carried out the policy of "regarding food grain as the key link." Some people asked how grass could be grown since there was not even enough food grain to feed the people. They set the growing of grain against the growing of grass and were unable to include the task of growing grass in their work agenda. In fact, growing grass where appropriate in areas like Tongwei not only will not hinder the grain production there, but will promote it. Growing grass will increase the percentage of organic matter and nitrogen in the soil. When there is grass, animal husbandry can be developed to directly increase the income of the masses of people. Through the development of animal husbandry, organic fertilizer will increase and this will effectively raise the yield of the land. During the 3 years when the Nabo production team in Tongwei County was in difficulties because the underdeveloped animal husbandry caused by lack of grass could not provide much fertilizer, the per-mu grain output was only about 50 jin. Later, because of the development of grass growing, grain output increased to more than required for self-sufficiency. This constitutes convincing evidence.

Others are of the opinion that it is impossible to grow grass in drought areas. In fact grassland plays a great role in preserving soil and water. According to the statistics collected by experts on grassland, on the loess plateau, grass can play as good a role as trees in preserving water and soil. Grass can absorb as much water as forests do in areas with relatively high rainfall, but grass is better than forests in fixing the soil and preventing soil from being washed away. "An inch of grass can stop 100 inches of wind." Grass can also reduce the erosive effects of wind-blown

sand and plays a beneficial role in adjusting temperature. Therefore, the more seriously an area is afflicted by droughts, the more urgent it is for that area to grow grass in order to strike an ecological balance and turn a vicious circle into a beneficial one.

Growing grass is of great significance in readjusting our country's agricultural structure and in achieving an all-round development of agriculture, forestry, animal husbandry, sideline undertakings and fishery. In our country, many areas are suitable for growing grass. We cannot only grow grass in areas like Tongwei that are often afflicted by droughts, but also in the mountainous areas which constitute more than 60 percent of our territory. Naturally, we should grow grass in our pastoral areas, but we should also grow grass in agricultural areas. Grass has a very strong vitality and can be grown in both spring and autumn. Its growth period is short and it can be harvested within a year of sowing. It propagates luxuriantly as is described in the two lines of a poem: "Not even a prairie fire can destroy the grass, it grows again when the spring breeze blows." Therefore, once it is grown, it will survive for many years. Growing grass requires very little investment and is indeed work that will bring about quick results.

Spring has returned and all living things have become active again. All areas should allocate some labor and materials to growing grass while paying attention to planting trees in spring. As for the problem of where it is appropriate to grow grass, which areas have priority for growing grass and which areas do not and how grass should be grown, the relevant departments should draw up some plans and earnestly solve the actual problems related to fine grass seeds and grass cultivation technology. As long as we persist for several years in paying attention to this work, we will surely achieve good results. We should cover our land with green grass.

CSO: 4007

TORRENTIAL RAIN CAUSES SHANTOU FLOODS

HK100533 Guangzhou Guangdong Provincial Service in Mandarin 0445 GMT 10 Apr 83

[Text] Heavy to torrential rains fell in Shantou Prefecture from 0800 on 8 April to 0800 on 9 April. Some places had violent rainstorms. As a result the rivers rose rapidly. Flood crests 0.7 to 1.58 meters above the warning level occurred on the Rongjiang, Luojiang and Longjiang rivers yesterday afternoon. In some places farmland was flooded, traffic halted and buildings destroyed. Some of the masses were marooned by flood waters. Pingyuan District in Changhai County, the banks of the Lianjiang River in Puning County, and Hongyang Commune and other places were inundated. Changhai County seat was flooded to a depth of 0.7 meters. Some water conservancy projects such as reservoirs and embankments were damaged.

After the disaster occurred, the prefectural and county party and government leadership and the cadres and masses of the affected communes and brigades immediately plunged into the antiflood struggle. These masses who were marooned were safely led out of danger. Arrangements were made for the calamity-stricken masses, and the work of draining flooded land and promoting spring farming was launched.

CS0: 4007



# CONTRACTING SEEN AS MEANS TO INCREASE FRESHWATER FISH PRODUCTION

## Increase in Contracting Households

Beijing ZHONGGUO NONGMIN BAO in Chinese 10 Feb 83 p 1

[Text] Guangdong Province's freshwater breeding industry has continued high speed development during the past several years. In 1982, freshwater fish output reached 264,000 tons, 50 percent more than in 1978. For the province as a whole, pondfish yields averaged 390 jin per mu, 2.5 times the national average. In the major producing area in Nanhai, Zhongshan, and Shunde, 430,000 mu of fishponds averaged yields of 530 jin per mu. This included 100,000 mu with yields of more than 1,000 jin per mu. In more than 200 mu of fishponds contracted by specialized families, yields were more than 2,000 jin per mu.

Guangdong Province is renowned as a "land of fish and rice," and in the Pearl River delta, in particular, peasants have raised fish for generations. For a long time, as a result of the influence of "leftist" ideology, the fishing industry did not receive the serious attention and development it deserved. Following the Third Plenary Session of the 11th Party Central Committee, the enthusiasm of the broad masses of peasants for rearing fish reached unprecedented heights. In the 3 years between 1979 and 1981, freshwater fish output increased an average 8.8 percent annually, and in 1982 it again spurted by 10.6 percent. This brought to a close a more than 20 year period of hovering at less than a 1 percent increase per year. As a result of readjustment of the pattern of fishpond distribution and development of lowlands, a breakthrough was also made in the fishpond area, which had been static for a long time around 1 million mu, for an expansion to 1.26 million mu. Doumen County "dug out ponds and used the dirt to raise the height of fields." Each year for the past 4 years it increased its fishponds by 10,000 mu, growing grain and sugarcane, and raising hogs around them, feeding the cane leaves and hog dung to the fish, and using the pond mud to fertilize the fields. Thus, it was able to bring about comprehensive growth in grain, sugarcane, hogs, improve low-lying sandy fields and find means of creating a benevolent cycle. New break-

throughs were also realized in the varieties of fish raised. High yield, superior quality hybrid fushou fish rapidly spread over a 250,000 mu area in 1982. Commune member family fish rearing also developed with great speed. Even Wuzhi Mountain region, which had no tradition at all in rearing fish, began to dig ponds and build dams. By 1982, the number of households in the province rearing fish had expanded to 550,000.

Specialized contract systems of responsibility created by the masses have been a powerful force in the rapid expansion of freshwater fish rearing in Guangdong Province. In 1979, Chen Zhixiong [7115 1807 7160], commune member in Shapu Commune, Gaoyao County was the first to contract a fishpond. This encouraged and attracted the broad masses of peasants. Shunde County, a fishpond commodity base, experimented preliminarily in 1982 with the contracting of sole responsibility for one-third of its fishponds, with the result that 80,000 mu of ponds increased yields by 20 to 30 percent. At the Dongfeng Production Brigade in Leliu Commune, 1,500 mu of fishponds produced an average 470 jin per mu of fish in 1978. After practicing large scale assignment of sole responsibility, this increased to 1,060 jin in 1982. Such a speed of increase not only astounded the experts, but even the peasants themselves dared not believe it. Practice has shown that in freshwater breeding as in other fields, contracting means effectiveness. In 1982, more than 70 percent of the province's fish breeding units instituted assignment of sole responsibility. The number of specialized households and key households engaged in the rearing of fish has expanded to 220,000.. They have become not only the mainstay of the local fishing industry, but have begun to contract outside the prefecture, do pioneering contracting, and initiate a new situation in the export of skills and the opening of new areas. At the same time, all kinds of economic partnerships such as the state and commune jointly operated Animal Husbandry and Aquatic Products Associated Company in Gaoyao County, and the Zhao Integrated Fishing, Industrial, and Commercial Company in Yangjiang County have newly appeared. This has given impetus to a reform of the fishing industry's economic management system.

At the present time, Guangdong Province is in process of further summarizing the masses' experiences, maintaining, improving, and spreading specialized contract responsibility systems, and diligently solving difficulties encountered in the development of specialized households. This year the province's freshwater fish rearing industry shows prospects for even greater development.

## Major Role of Contracting Households

Beijing ZHONGGUO NONGMIN BAO in Chinese 10 Feb 83 p 7

[Text] Contract responsibility systems linked to output have been a powerful force for the rapid development of China's agriculture, and have been profoundly welcomed by the broad masses of people. Practice in Guangdong Province has shown that with freshwater breeding as well, contracting means effectiveness. Contracting linked to output is also a powerful force for development of freshwater breeding.

China has abundant natural resources for freshwater breeding, the water surface area of the country suitable for breeding amounting to 750 million mu. Development of freshwater breeding requires small investment and a short cycle, and yields high benefits. It is a major sector of the national economy. However, for many years China's freshwater breeding industry did not develop rapidly; water surfaces capable of rearing fish were not used to the full; output was not high; and development was very unbalanced from one place to another, and very unable to meet ever increasing market needs.

Development of freshwater breeding requires that certain conditions be made ready. There are questions of leadership, questions of funds, questions of skills and facilities, questions of fish fry and feed, etc. However, most important is arousal of the enthusiasm of producers. In freshwater breeding as in agriculture, the objects of production are living things. They are limited by objective conditions, and circumstances change in countless ways requiring that producers possess a high degree of responsibility, change as circumstances require, and provide painstaking care. In order to achieve this, it is necessary to link the fruits of production directly to producers, and the best way of doing this is to institute a contract responsibility system linked to output. Linking to output is like the linking of affections; those who are linked worry. When producers are enthusiastic, they will do everything possible to overcome difficulties, create conditions, tap potential, and improve effectiveness. Contracts linked to output have brought about rapid development of Guangdong's freshwater breeding. Were every jurisdiction to institute such a responsibility system, the country's freshwater breeding industry would make a great breakthrough, and a brand new situation would very soon appear.

9432

CSO:4007/101

'GREAT' INCREASE IN HYBRID RICE YIELDS REPORTED

Guangzhou NANFANG RIBAO in Chinese 13 Feb 83 p 1

[Article: "Great Increase in Rice Yields in 1982; Hybrid Rice Performs Marvelously. Universally High Yields Harvested From Province's Almost 10 Million Mu of Hybrid Rice"]

[Text] In 1982 the province grew 9,982,000 mu of hybrid rice, almost double the 5.02 million mu of the previous year. As a result of the overall coordination of all measures for increased agricultural yields, hybrid rice lived up to its full potential for increased yields, substantial harvests being taken everywhere. Statistics from nine prefectures (and municipalities), including Zhanjiang and Shaoguan, show a more than 7.47 million mu area sown to hybrid rice in 1982 and producing yields averaging 745.6 jin per mu. Conventional rice varieties grown on 37.7 million averaged yields of 550.9 jin per mu. Hybrid rice yields were 194.7 jin per mu more than conventional rice yields. In 1982, the area of the province planted to hybrid rice amounted to only 17 percent of the total rice-growing area, yet output was 22 percent of the province's total rice output.

In order to do a genuinely good job of growing hybrid rice, all prefectures and counties established hybrid rice leadership organizations, and provided support in funds, materials, and techniques. All jurisdictions emphasized seed production and apportionment of seeds. In 1982, the area of the province used for superior hybrid seed production was 235,000 mu, which yielded 124.6 jin per mu. This was 27 jin per mu more than during the previous year, and substantially satisfied the provinces needs for seeds. At the same time, all jurisdictions launched widespread popularization of science and technology, summarized many year's practice into a body of high yield farm care techniques, and spread the farming campaign into countless households, thereby raising hybrid rice yields to a higher level.

9432

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## BRIEFS

GUIZHOU SOIL IMPROVEMENT, CONSERVATION--The provincial government has allocated 9.5 million yuan to carry out soil and water improvement and conservation at 100 points in 33 counties suffering from serious soil erosion. Due to wanton felling of trees in the past, some areas in the province have suffered from serious soil erosion, adversely affecting agricultural production. Soil erosion is particularly serious in Bijie Prefecture. Recently, scientific and technological personnel have been organized to conduct investigations into the matter in Bijie, Qianxi and Jinsha counties, all suffering from serious soil erosion. [HK081335 Guiyang Guizhou Provincial Service in Mandarin at 1100 GMT 7 Apr 83 HK]

CSO: 4007

DROUGHT AFFECTS HEBEI SPRING FARMWORK

HK070655 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 1 Apr 83

[Summary] Hebei has launched a drive to fight drought and ensure spring sowing and the summer harvest. The province has had little rain and snow since last September. Up to February, average precipitation was only 57 millimeters, more than 30 percent less than normal. As a result of the drought, some 60 percent of the province's farmland is short of moisture. This has posed a serious threat to spring sowing and the growth of the wheat crop.

Just after the spring festival, the provincial government held a meeting to make arrangements for spring drought-fighting, and also issued a circular mobilizing the cadres and masses to overcome the drought and strive for a bumper harvest. The government has allocated 10 million yuan to communes and brigades in economic difficulty in places where the drought is serious and water conservation conditions are poor. Due to the prolonged drought, the water table has fallen in most parts of the province, while there is not enough surface water. Attention is therefore being paid to scientific and economic use of water.

CSO: 4007



HEILONGJIANG ISSUES ANTIDROUGHT CIRCULAR

SK050456 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 4 Apr 83

[Text] The provincial CPC Committee and the provincial people's government issued an emergency circular today, urging the people throughout the province to realistically do a good job in combating the spring drought so as to ensure spring sowing.

The circular points out that it is a foregone conclusion that the southwestern and eastern areas of our province will suffer from the spring drought. It urges localities across the province to regard the work of successfully combating the spring drought in order to ensure spring sowing as a pressing task of the current period.

The circular points out: at present, our province is vigorously engaging in wheat sowing. An excellent situation of farming preparations and spring farming has prevailed in all rural areas. The high production enthusiasm shown by the masses is unprecedented in recent years. However, the spring drought occurring in the southwestern and eastern areas of our province is seriously threatening spring farming and sowing. According to the weather forecast, the dry spell will continue to develop during the spring farming period. Therefore, we must be sober enough to discern the seriousness of the drought and must foster the thinking of overcoming the spring drought and doing a good job in spring farming so as to wrest a bumper harvest this year.

The provincial CPC Committee and the provincial people's government urged leading personnel at all levels to regard the work of concentrating on successfully combating the drought and conducting sowing operations as the current central task of rural areas. This is the key task that has a vital bearing on our province doing a good job in restoring production strength this year after the plague of the last 2 years so as to create a new situation in agriculture. Localities should firmly grasp the implementation of various measures for combating drought to ensure sowing operations. In about 15 days, efforts should be made to make best use of water conservancy facilities, to tap the latent potentialities of existing water sources and to arouse the masses to conserve enough water for sowing operations. It is also necessary to arouse households that have enacted responsibility systems to make concerted efforts to combat the drought in a timely manner by offering manpower and transport tools. Efforts should be made to organize the masses to seize the time suitable for sowing and to make adequate arrangements for farm machines and draft animals in conducting

sowing operations in a timely manner. Attention should be paid to giving full scope to the role of farm machines that contribute to seizing the time suitable for sowing operations and to conserving soil moisture to combat the drought. It is also necessary to seize the time suitable for farming and to do a good job in ploughing, harrowing and leveling farmland in order to conserve moisture. In line with local conditions, wheat sowing in farmland on which it is impossible to make wheat seeds sprout under dry conditions should be changed into the sowing of cold-resistant crops such as corn and gaoliang. A good job should be done in preparing strains of later period crops for emergency needs.

The provincial CPC Committee and the provincial people's government urged leading personnel at all levels to go together with organs' cadres deep into the forefront of spring sowing operations and into every household to help them solve practical problems so as to carry out in a down-to-earth manner the work of combatting drought in order to ensure spring sowing.

CSO: 4007



HEILONGJIANG REDUCES PEASANTS' BURDEN

SK012256 Harbin HEILONGJIANG RIBAO in Chinese 16 Mar 83 p 1

[Text] Zhujia Commune in Linkou County has taken measures to stop the practice of delivering a higher portion of commune members' production to the state. The quotas for the portions of each mu's production to be delivered to the state have been generally reduced and the practices of leading an idle life, extravagance and waste have been overcome.

The commune took six measures to stop the practice of delivering a higher portion of production to the state.

- 1) Households should hand over in to the state taxes on production from all land, except private plots, in accordance with the differences in land and the standards of each mu's production.

- 2) Adopt two ways to calculate accumulations funds. One way is based on the average amount of payments to the state in the past 3 years. The other way is based on annual real expenditures on capital construction projects.

Further consideration should be given to the real situation of the masses who have purchased vehicles, horses and means of production in the first 2 years of implementing the contracting system and to properly reducing the amount of their payments.

- 3) Properly spend public welfare funds on public cultural and welfare services, and use the funds to give special care to family members of revolutionary martyrs and servicemen and to take care of five-guarantee and poor households.

- 4) Depreciate the fixed assets of the collectives and only use the fixed assets left over by the collectives.

Depreciation funds, which have been deducted from state payments in line with the contracting system for specialized production, should not be withdrawn under any pretense.

- 5) Funds for administration and management, official trips and handling official business should be strictly reduced.

- 6) It is not permissible to convert the loss of working time in doing voluntary work, capital construction work and militia training into money and, thereby, to add it to the portion retained so as to raise the retained quotas.

All production teams in the commune should check the contracting system in line with these issues to correct the unhealthy practice of delivering a higher portion of production to the state and plug up all loopholes.

CSO: 4007

MEETING ON REFORMING COMMUNE ADMINISTRATION

SK061242 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 5 Apr 83

[Excerpts] The provincial conference on separating the government administration from commune management and on setting up township governments and village resident communities on a trial basis concluded on 4 April.

The conference decided: in the first half of this year, most people's communes of the province should reform the system of combining the government administration with commune management and set up township governments and village resident communities on a trial basis. In the second half of this year, province should hold meetings to exchange experiences in pilot work and make comprehensive plans.

In line with the experiences of our province and other parts of the country, the conference put forward: while reforming the system of combining the government administration with commune management and setting up township governments and village resident communities on a trial basis, our province should abide by some principles.

1. Abide by the principle, which is conducive to stability and unity, to stabilize the thinkings of cadres and the masses.
2. Abide by the principle, which is conducive to overcoming and correcting the contradictions of combining the party with the government and of not separating the government from [words indistinct].
4. Not increase state administrative expenses, streamline administration and reduce the burden of the masses.
5. Take care of the living conditions of the masses, their historic customs and natural conditions to enable the masses to practise democratic rights.

CSO: 4007

## HENAN EXTOLS LIUZHUANG, BAIZHUANG BRIGADES

HK040546 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 3 Apr 83

[Text] The party organizations and members throughout Xinxiang Prefecture have actively responded to the call of the provincial CPC Committee and government and launched in depth a drive to learn from Liuzhuang and Baizhuang brigades. A new situation of comparing, learning, catching up, helping, and overtaking has emerged in the prefecture.

After the provincial CCP Committee and government issued a decision at the beginning of this year on learning from Liuzhuang and Baizhuang, the prefectural CPC Committee Standing Committee held a conference to study the matter. The committee called on party organizations at all levels to get a good grasp of this work. Jiyuan, Mengxian, Huixian and Qinyang counties convened meetings or enlarged meetings of their CPC Committee Standing Committees to study and decide on measures for learning from these two brigades in light of their own conditions. (Loucun) Brigade in Huojia County had failed to stabilize its agricultural production responsibility system form for a long time. While learning from these two brigades, they contrasted themselves with the experiences of Liuzhuang in seriously implementing production responsibility systems in light of local conditions, analyzed their own production conditions and level, and instituted a production responsibility system of unified management, division of work by specialties, and overall contracts and distribution. A notable change took there in only 1 month or so. In the past irrigation was done rather roughly in some fields. This year watering and manuring have been done thoroughly and carefully.

The Xinxiang Prefectural CPC Committee recently convened a rally to commend units and individuals that have made fine progress as a result of learning from Liuzhuang and Baizhuang. The rally cited and rewarded 14 progressive commune CPC Committees, 52 progressive party branches and over 300 outstanding party members. A mass movement to learn from Liuzhuang and Baizhuang and strive to become progressive and outstanding has been unfolded throughout the prefecture.

CSO: 4007

## BRIEFS

HENAN PEASANTS' INCOME INCREASES--According to the investigation conducted by the agricultural department of the Henan Provincial Statistical Bureau, the income of commune members' households in the province in 1982 increased again. The per capita net income was 216.70 yuan, an increase of 0.5 percent over 1981. With the increase in income, the annual per capita expenditure of commune members in the province last year was 177.00 yuan, 7.4 percent more than in the preceding year. The per capita amount of savings deposited in banks and cash in hand by the end of 1982 was 40 yuan, 130 percent more than in 1978. [HK020336 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 22 Mar 83 HR]

CSO: 4007

## STATION COMMENTARY ON REFORM, FARMING

HK071325 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Apr 83

[Station commentary: "Grasp reform To Promote Spring Farming"]

[Summary] At present, rural areas in Hubei Province have carried out spring farming in an all-round way. There are many advantageous conditions for doing well in spring farming this year.

Last year, our province reaped a big bumper agricultural harvest. Some 97 percent of the production teams have implemented the all-round contract system, and peasants' enthusiasm has become very great. Structural reform in our province is being conducted simultaneously in a planned and systematic way in accordance with the CPC Central Committee's arrangements. Reform will become a powerful impetus to developing production and to making the cadres and the masses of commune members strive to fulfill their spring farming tasks with one heart and in one vigorous effort.

"However, at present a small number of people fail to clearly see this excellent situation. Their attitude toward structural reform is not correct enough. They have a slack mood and have taken a wait-and-see attitude. They have not grasped work which should be grasped. They have not gone down to grassroots units where they should go. They have left their posts and looked on unconcerned. This situation has brought a bad influence on current spring farming. We hope that cadres at all levels will seriously implement all regulations on structural reform of the central authorities, which should be observed by cadres at all levels. They must stand fast at their posts, arouse their enthusiasm and do their work well.

"We must also see that comrades who sit and wait for structural reform have an excuse that as the system of peasant households assuming full responsibility for task completion is implemented. Work should cease and that as peasants are devoted to farming, cadres need not worry about spring farming. Of course, when the responsibility system is implemented, peasants have decisionmaking power in farming, the past method of urging peasants to carry out farming is really inapplicable. However, there are many things about which cadres must worry. For instance, some places have so far not signed contracts for production and some other places have not sufficiently perfected the system of contracted responsibilities with payment linked to output and peasants there have become worried.

This requires us to help them perfect the responsibility system and sign contracts as quickly as possible so that peasants can wholeheartedly plunge into spring farming."

In places which have implemented the all-round contract system, we must ensure the fulfillment of the state quotas and ensure a rational proportion among the areas sown to grain, cotton and other industrial crops. This also requires us to do more ideological and organizational work more meticulously. In addition, we must help households in difficulties do a good job in spring farming. Regarding the supply and allocation of chemical fertilizers, seeds, agricultural chemicals and other means of production which are urgently needed in spring farming, regarding the overhaul and use of agricultural machinery and tools and water conservation facilities and regarding the popularization and application of advanced technology, we are required to go into realities to conduct investigation and study and help peasants to specifically solve these problems.

When Hu Yaobang was inspecting our province's work, we demanded that our province's four modernizations go ahead of the whole country. The provincial CPC Committee put forward that the province's total agricultural output value this year must be some 5 percent more than last year, grain production must increase by 1 billion jin, total cotton output must reach 8.2 million dan and diversification and industrial and sideline production must further develop. To complete this glorious and arduous task, all our cadres and peasants must make concerted efforts and work hard.

CSO: 4007

## RADIO URGES CONTRACT SYSTEM FOR STATE FARMS

HK070155 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Apr 83

[Station commentary: "State-Owned Farms Can Also Adopt the Contract System"]

[Text] The experience of the (Yangchenhu) Farm in pursuing the responsibility system shows that state-owned farms can also adopt the all-round contract system on a household basis in production.

For a long time in the past, state-owned farms have been implementing the fixed-wage system. The way they organize production is always to concentrate the work force. So there is also the practice of eating from the same big pot as previously existed in rural communes. This is a major malady in state-owned farms. It is also the key reason for the slow development of these farms in the past, which mostly incurred losses year after year. This malady can be overcome if the output contract system is adopted.

At present, quite a few cadres still fear that the whole-people-ownership character of these farms will be changed if they adopt the contract system. These misgivings are, in fact, unnecessary. Compared with rural communes, although state-owned farms have a different ownership system and production means, both sides have the same production objects and processes and have a uniform production objective. Their distribution principles are also the same. In the course of adopting the all-round contract system, so long as we correctly handle the relationship between centralization and help and the relationship between the state, the farm and the worker, the reform of the management of operation system will never lead to a change in the nature of the ownership system. Of course, we cannot completely copy the practice of rural communes; instead, we must work out our own method suited to our state-owned farms' conditions and characteristics.

CSO: 4007



## HUNAN MEETING ON RURAL REFORM PILOT PROJECTS

HK060241 Changsha Hunan Provincial Service in Mandarin 2310 GMT 5 Apr 83

[Text] From 3 to 5 April, the Hunan Provincial CPC Committee held a meeting in Changsha in pilot project work in separating government administration from commune management and establishing townships. Present at the meeting were comrades responsible for this work in all prefectures, cities and counties, and directors of civil affairs bureaus.

The meeting studied and implemented the spirit of the relevant documents of the provincial CPC committee and listened to an introduction of the experiences of Libyang County in pilot project work for separating government administration from commune management and establishing townships.

The meeting held: separating government administration from commune management is an organizational reform to meet the needs of strengthening rural grassroots political power and putting the rural collective economy organization on a sound basis in the new historical period. In order to gradually extend and do a good job of pilot projects in separating government administration from commune management and establishing townships, the meeting stressed: The leaders at all levels must actively, enthusiastically and spontaneously take part in the reform pilot projects. They must promptly investigate the problems that occur, sum up experiences and lessons, look into reform measures, and unswervingly press ahead with this pilot project work.

CSO: 4007



## DONGTAI COUNTY CUTS GRASSROOTS RURAL CADRES IN HALF

OW130640 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 12 Apr 83

[Text] In order to make the leading bodies at the grassroots level smaller in size but highly trained and to reduce the burden of peasants, during the first quarter Dongtai County has trimmed the number of rural cadres and brigade and production cadres by a total of 54 percent. According to statistics, the burden borne by peasants in the whole county in subsidizing cadres will be reduced from an average of 7.5 yuan per person in last year to 4.9 yuan this year.

Since the system of assigning full responsibility to households in the countryside was instituted, peasants have earnestly hoped that the situation characterized by the excessive number of cadres and paying higher subsidies to cadres would be changed. An investigation conducted by Dongtai County showed that for every 7.7 households in the rural areas there is a brigade or production team cadre. The county CPC decided to change this situation. After experimenting at selected communes, the county CPC committee in late February decided to trim the number of brigade and production team cadres and to rationally solve the payment for cadres.

In general, from four to seven cadres will be assigned to each brigade and from two to three will be assigned to each production team. A responsibility system will be implemented to handle subsidies for cadres in an overall manner so that each individual concerned will receive the basic subsidies.

In March, various communes, starting from selected localities to general areas and from brigades to production teams, carried out work in an earnest and steady way. By the end of March, Dongtai County had basically completed the work of reducing the number of rural cadres. Those cadres who were retrenched but are capable to work will be given more "responsibility fields" to cultivate or assigned to work in industrial, commercial, transport and service units. Those who are old, physically weak and cannot work will be adequately provided with more subsidies from funds accumulated by commune-run and brigade-run enterprises, so that each person is properly provided for and placed.

After having consolidated and perfected the on-the-job responsibility system and implemented the standards for giving annual subsidies, the enthusiasm for work among county-level cadres has been greatly enhanced. The peasants said happily: Our burden has been lightened as the number of cadres has become smaller but more capable. The county CPC committee has performed a good deed.

CSO: 4007

## BRIEFS

**JILIN DRIED GRAIN**--As of 30 March, Jilin Province dried 1.45 billion jin of grain, fulfilling 31.7 percent of its grain drying task. In 1982, our province reaped a rich grain harvest and procured over 8 billion jin. [Changchun Jilin Province Service in Mandarin 1030 GMT 8 Apr 83 SK]

**JILIN VOLUNTARY AFFORESTATION**--Jilin Province scored achievements in afforestation in 1982. Over 10 million people participated in this campaign, planting a total of 120,349,000 trees in the urban and rural areas. The survival rate of the trees was 80 percent in the urban areas and 70 to 90 percent in the rural areas. In addition to afforestation, nine cities in Jilin Province including Changchun also built lawns and flower beds totalling 557,000 square meters in area to beautify the environment. [Changchun Jilin Provincial Service in Mandarin 1030 GMT 11 Mar 83 SK]

**JILIN AFFORESTATION PLAN**--Jilin Province and Changchun City held a radio and television mobilization rally on voluntary afforestation on 1 April. Some 1,500 persons including provincial and city office cadres, soldiers, commune members and students, attended the rally. Deputy governor Wang Jiping spoke. He said that in 1983 Jilin Province plans to afforest 2.5 million mu and plant 53.04 million trees on a voluntary basis. Changchun and 8 other cities plan to plant 8.5 million trees, build flower beds covering an area of 500,000 square meters, and build lawns covering an area of 250,000 square meters. The province as a whole will cultivate 257,300 mu of saplings. [SK101126 Changchun Jilin Provincial Service in Mandarin 1030 GMT 1 Apr 83 SK]

**JILIN NONSTAPLE FOOD SUPPLY**--On 12-16 March, the Jilin Provincial People's Government held a provincial work conference on the production and marketing of nonstaple food to accelerate the development of nonstaple food production and to create a new situation in the supply and marketing of it. Huo Mingguang, secretary of the provincial CPC committee, made a speech at the conference. [Changchun Jilin Provincial Service in Mandarin 1030 GMT 16 Mar 83 SK]

CSO: 4007

## LIAONING

### BRIEFS

LIAONING NEW AIRLINES--Two air routes respectively from Liaoning Province's Shenyang to Wuhan via Beijing and from Shenyang to Guangzhou via Tianjin, which were newly designated by the civil aviation bureau, were opened to traffic on 1 April. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 1 Apr 83 SK]

LIAONING FIELD CROP--The sowing of field crops has begun in rural areas of Shenyang City, Liaoning Province. As of 7 April, some 87,000 mu of fields were sown with maize and other field crops. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 8 Apr 83 SK]

LIAONING PEOPLE'S INCOME--In spite of serious natural calamities, the total 1982 income of basic accounting units in Liaoning Province's rural areas increased by 3.4 percent over the previous year. Commune members' income from collective distribution reached 131 yuan per capita, an increase of 8 yuan over the previous year. The counties and districts with more than 200 yuan of per capita income rose from 11 in 1981 to 15 in 1982. The communes with more than 200 yuan of per capita income rose from 123 to 343. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 4 Apr 83 SK]

CSO: 4007

COMMENTARY ON COMMERCIAL REFORM

SK040544 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 Apr 83

[Station commentary: "Reform the Commercial System in a Vigorous and Sound Manner"]

[Text] After the convocation of the regional meeting of banner and county party committee secretaries, commercial reform has been carried out in breadth in a guided and step-by-step manner in the urban and rural areas. The progress in reform is inspiring. Leading the commercial reform in a vigorous and sound manner is a matter of great importance on the commercial front. To do a good job in commercial reform, continued efforts must be made to eliminate the leftist influence. We must fully estimate the seriousness of the leftist influence which has for years affected our economy, social life and other spheres of work.

Since the third plenary session, despite our efforts to set things aright, there are still old restrictions and habits hampering the initiative of the people in doing practical work. Therefore, it will be hard to guarantee smooth progress in the reform without eliminating the leftist influence. One of the most important issues in commercial reform, like that in other reforms, is to give full rein to the internal force of enterprises and the staff and workers. In the past, we repeatedly stressed the necessity of improving service quality and service attitude. However, no improvements were made despite years of publicity in this regard. Many commercial units still cling to out-dated operation methods. An 8-hour business system and a cold, unconcerned service attitude, this is mainly caused by the practice of the "big common pot" and "iron rice bawn," which greatly hampers the work enthusiasm of the staff and workers. Now that we are to carry out reforms, we must break with the practice of the "big common pot" and "iron rice bowl" and fully mobilize the socialist enthusiasm of the people.

Where should we start our work in commercial reform? The key point in commercial reform is to promote the contracting responsibility system in management so as to closely integrate the responsibilities, rights and profits of the state, enterprises and staff and workers. A good grasp of this line will enable us to get to the essentials of this work. Otherwise, reform will be impossible to carry out.

The commercial front is broad in scope and it embraces many commercial units which also need to meticulously sub-divide their work. Commercial centers are scattering everywhere and doing business in all corners of the land. Much subsidiary work needs to be done simultaneously in order to effect the reform. In instituting the contracting responsibility system, we must proceed from the actual situation and must not mechanically copy or seek uniformity. Regardless of what forms of responsibility systems we have adopted, we must give consideration to the interests of the state, collectives and individuals so as to ensure that the state will get the largest portion of profits, enterprises will get the middle portion and the individuals will get the small portion.

At present, we must give correct guidance and warm support to commercial workers in mobilizing their enthusiasm in the reform. Furthermore, we must keep sober minded and must not rush headlong into mass action. Leading comrades of the commercial departments at all levels must have courage to stand in the van of the reform, do research work in grassroots units, use the experience of selected units to promote work in the entire area, publicize exemplary cases and give different guidance in the light of different cases so as to enable commercial reform to be developed in a steady and healthy manner.

CSO: 4007



## SHANDONG REFORMS GRAIN SUPPLY, DISTRIBUTION METHODS

SK020958 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Apr 83

[Text] The provincial meeting of directors of grain bureaus in various prefectures and cities, which was held by the provincial grain department, has decided to reform the grain operation methods to improve the supply of grain and edible oil. In supplying grain to the masses, the present method of supply by ration books at fixed amounts should be changed to the method of allowing the masses to purchase grain by ration books or grain coupons in amounts they determine. The masses are permitted to go to grain stores to exchange their unused grain, as recorded in their ration books, for other varieties of crops or for edible oil coupons in a fixed proportion. With the edible oil coupons, the masses are allowed to purchase not only edible oil, but also peanuts, sesame seed and other oil-bearing seeds. Plants, schools and vegetable teams in suburban areas are allowed to run collective grain shops in line with the demands and to sell grain for grain departments on a commission basis. It is also permissible to let a proper number of individual households sell the grain and edible oil which have been purchased by them at negotiated prices. Such households are also permitted to sell grain and edible oil, which have been purchased at negotiated prices, for grain departments on a commission basis so as to make things convenient for the masses in buying grain.

The meeting called for great efforts to develop grain food and oil food production and dealings[?] and develop the feed industry in order to improve people's living conditions and the development of animal husbandry and breeding industry. This year the grain departments will produce 70 percent more grain and oil foods than last year. Meanwhile, 45 new feed-processing plants will be built and the output of mixed feed will double that of last year.

CSO: 4007

## SHANDONG

### BRIEFS

SHANDONG AGRICULTURAL OUTPUT--Shandong Province's Liaocheng Prefecture has made remarkable achievements in reforming agricultural operations and management systems and agricultural economic structures and in rural scientific and technical transformation since the third plenum. The prefecture's agricultural output value increased from 810 million yuan in 1978 to 1.83 billion yuan in 1982, a 1.26-fold increase. The per capita distribution in 1982 reached 251 yuan, a 4.4-fold increase over 1978. [SK101221 Jinan Shandong Provincial Service in Mandarin 2300 GMT 2 Apr 83 SK]

CSO: 4007

SICHUAN

# XINDU COUNTY REFORMS VILLAGE MANAGEMENT SYSTEM

HK111512 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 10 Apr 83

[Text] Xindu County has boldly reformed the village and production team management system. In conjunction with the reduction of the number of village and production team cadres, all townships throughout the county have universally set up villagers' committees and villagers' groups. The masses' democratic rights have been fully respected, their burdens have been lightened, relations between the cadres and the masses have become closer and very good economic results in society have been achieved.

In accordance with the provisions of Article 110 of the new constitution, the villagers' committees established are mass self-management organizations at the grassroots level. The villagers' committees are management organs which are selected in the interests of the masses to represent the masses' will.

The majority of rural areas have implemented the system of electing or advertising for cadres. The number of cadres at both village and production team levels throughout the county has been reduced from some 16,000 to about 6,000. As the number of cadres has been reduced and work efficiency has been raised, the relationships between the cadres and the masses has become closer and the masses' burdens have been lightened.

Now, Xindu County has basically completed the reform of the village and production team management system and is further perfecting the systems of dividing work between the party, the government and the mass organization and, of performing each one's duties and the cadres' personal responsibility system.

CSO: 4007

## CUT UNREASONABLE BURDENS ON PEASANTS

HK030404 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 2 Apr 83

[Station commentary: "Don't Set Indiscriminate Impositions and Quotas on the Peasants"]

[Excerpts] Since the institution of production responsibility systems in the rural areas, the egalitarianist notion of some people in taking the fruits of the labor of others is now being eliminated. The peasants are extremely happy that they can earn more through working more.

However, there are still many ways of stretching out hands to the peasants. In some places, apart from the contracts being undertaken by the peasants, all kinds of unreasonable impositions and quotas are placed on them, with the result that the burden of some peasants is excessive. This is mainly because for many years quite a few comrades have been accustomed to requiring this and that from the peasants and to setting various quotas on them. Their concept of serving the masses has weakened. Not much education has been conducted in cherishing the masses' earnings from their labor. Some comrades hold that now the peasants have started to get rich, there is not much problem in making a few more impositions on them. Certain departments then shift onto the peasants expenditures they should be meeting themselves; or else they find all kinds of pretexts for arbitrarily raising various fees and charges, thus making the peasants' burden excessive.

We need to conduct education for the peasants in taking account of the interests of the state, the collective and the individual, and tell the peasants that they must bear reasonable burdens. And we must also remind the units concerned that, when they impose various fees and charges on the peasants, they must seriously study whether these are reasonable or excessive. They must certainly not shift their own expenditures onto the peasants under the pretext that this is the need of the state, thus increasing the peasants' burden.

CSO: 4007

## XINJIANG

### BRIEFS

XINJIANG PREFECTURE WHEAT SOWING--By 29 March, Bayingolin Monggol Autonomous Prefecture in Xinjiang region had sown spring wheat on 640,000 mu, 15,000 mu more than last year. Some 90 percent of spring wheat seeds had been sown, with chemical fertilizers added to irrigation water, and base manure had been applied sufficiently. Commune members have helped family members of martyrs and servicemen and households in difficulties do well in spring farming. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 31 Mar 83 HK]

CSO: 4007

LEGAL RIGHTS OF SPECIALIZED AND KEY HOUSEHOLDS GUARANTEED

Beijing ZHONGGUO NONGMIN BAO in Chinese 8 Feb 83 p 1

[Article: "Zhejiang Continues Actions to Liberalize Policies. Safeguards Legal Rights of the "Two Households" and of Partnerships"]

[Text] Recently Zhejiang Provincial CPC Committee secretary, Chen Zuolin [7115 0155 7207] declared unequivocally at the Provincial CPC Work Conference his intention to safeguard the legal rights of specialized households (or key households), and partnerships, and stipulated the following regulations: (1) Cadres may not use their authority to seize their property or to extort their products at a low price; (2) it is not permitted to transfer their manpower or resources in an indiscriminate and egalitarian way nor to take their money or grain on any pretext whatsoever; (3) it is not permitted to force persons into partnerships; (4) it is not permitted to contravene the principles of voluntary participation for mutual benefit or democratic management within partnerships, nor is it permitted to interfere arbitrarily in management systems and distribution methods. (5) It is not permitted to damage their production or their equipment, and any destructive acts of cheating, villification, or thievery shall be handled by legal departments according to the law.

Chen Zuolin also declared that: (1) barren mountains, unused waters, and small ore lodes suitable for commune member operation are to be contracted to specialized and key households under unified national or commune and brigade plans, or else operated in partnership with them. However, regulations for equitable use and protection of resources have to be formulated.

(2) Idle and unused buildings, warehouses, and equipment in communes and brigades may be contracted for their use, or can be transferred to their ownership at a converted price. (3) They are to be permitted to purchase agricultural product processing machines, small tractors and motorboats. Planned sales of large and medium size tractors and trucks may be made depending on local circumstances and the supply of fuel. (4) Profits from



partnerships may be distributed on the basis of work or, alternatively, they may be distributed primarily on the basis of work, with a certain proportion being simultaneously distributed on the basis of money invested in shares. (5) Specialized households may withdraw from the contracting of cultivated land, or they may transfer contracts for the land, but they may not rent or sell the land. (6) Preferential treatment in wages and emoluments may be given people in partnerships who possess administrative ability and special skills. (7) Questions about hiring assistants are to be handled in accordance with the provisions of pertinent Central Committee documents. (8) Where outstanding households that have become prosperous through labor have been wrongly treated, correction should be made.

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# China Report

AGRICULTURE

No. 256

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4 May 1983

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## AGRICULTURE

No. 256

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PROBLEMS OF PRICE SUBSIDY FOR AGRICULTURAL PRODUCTS DISCUSSED

Xiamen ZHONGGUO JINGJIWENTI in Chinese No 1, 1983 pp 49-52

[Article by Zhao Xinghan [6392 5281 3352]: "Several Problems Concerning Price Subsidy for Agricultural Products"]

[Text] Price subsidy is a mean by which the state regulates the economic life through the use of its financial resources. It is an important economic lever which, if properly used, can help promote economic development. For this reason, many countries in the world are using it on their exports and a very small number of commodities within the country. However, if the subsidy is too much and too extensively used, it will also produce unfavorable effects on economic development. Therefore, how to assess the role of price subsidy for agricultural products and how to solve the series of problems brought about by such subsidy have become an important topic for study and discussion by the comrades on the financial and economic fronts.

Agricultural price not only has a strong impact on finance, but also impinges on such questions as price reform, the peasants' burden, the way to enforce planned economy in agriculture and the law of value. This article will attempt to present some tentative views on these questions.

I. Causes of Excessive Price Subsidy for Agricultural Products

We did not have price subsidy in the procurement of agricultural products in the early days after the founding of the People's Republic. Along with the completion of the all-round transformation of the system of private ownership of the means of production, the expansion of the scope of control under planned economy has made it more practical and provided better conditions for the state to intervene in the economic life with the financial resources at its disposal. Later, in setting the procurement prices for agricultural products, it might have relied fairly much on the subjective factors with the result that the factors of value and of supply and demand were overlooked, or that the necessary price adjustments could not be carried out in time. Furthermore, the agricultural products with the characteristics of commodity have to be exchanged according to the principle of equal value; otherwise, the peasants would change their planting plan and choose to plant the more profitable crops. Therefore,

whenever there is any conflict between the innate requirements of commodity economy and the state plans in the procurement prices of agricultural products, price subsidy will become a means for the state to regulate its economic relationship with the peasants through the use of its financial resources. In this way, price subsidy undertakes a regulative task. The sharper the conflict, the greater will be the regulative role played by price subsidy. Once started, the price subsidy for some products cannot be easily discontinued. Thus the amount of subsidy continues to increase year after year. Specifically, the causes of excessive price subsidy for agricultural products can be attributed to the following aspects.

First, the need to stabilize the livelihood of workers and staff members. When the market prices were unstable in the early post-liberation period, wages in the form of money had to change along with the changes in market prices in order to ensure that a realistic level of wages could be maintained for the workers and staff members. Later, when the market prices had been stabilized, the wages were for a long time frozen under the influence of the leftist line. Thus the roles of wages and commodity prices were reversed, since the prices must be subordinate to the workers' stability of livelihood. When the wages remained unchanged, the rational adjustment of market prices was also restricted with the result that when on several occasions the state procurement prices for agricultural products were raised, their selling prices could not be correspondingly raised, and commerce had to incur losses from the abnormal disparity between the procurement and the selling price. Price subsidy had to be resorted to for the solution of this problem. The financial outlay on this type of subsidy ran into billions of yuan each year in the past. In 1981, the subsidy for losses from the sales of grain, edible oil, meat, fish, eggs and vegetables alone amount to approximately 8.5 billion yuan.

Second, the contradiction between increased prices for above-quota procurement and prices for state procurement. Under conditions of commodity production, when one type of commodity has more than two prices, the commodity producers will naturally desire to sell at the better price. When the price for above quota procurement is 30-50 percent above the state procurement price, there will be objective economic conditions for people to sell at the higher price before their state procurement quota is fulfilled. It may even tempt the peasants to change their crop pattern so that they will plant less of those crops for which there is a procurement quota, or a high procurement quota, and plant more of those for which no, or low, procurement quotas have been set, and then sell the products with increased prices. This has been one of the important reasons for the continued drop in the state procurement quota, the continued rise in the quantity of above-quota procurement and the continued increase in the subsidy for the increased prices for above-quota procurement year after year.

Third, the defects in the regulations and the administration of subsidy for increased prices of above-quota procurement. Under existing regulations, the central financial authorities are totally responsible for the payment of increased prices of above-quota grain, cotton and edible oil

procurement, while the localities have no economic responsibility whatsoever. Wherever there is no, or low state procurement quota, the ratio of increased prices of above-quota procurement will be high and the peasants will have more income. This can easily induce some localities to take the liberty of lowering the state procurement quota, raising the ratio of above-quota procurement and widening the margin of price increase, out of consideration for local interests. In some areas, communes or production brigades where there were originally low, or no, state procurement quotas and where production has already been developed with a high proportion of commodities, the state can find no way to raise their procurement quotas. Therefore, the defects in the regulations of subsidy is also one of the important causes. Defects also exist in administration. Too many departments are involved in the procurement of agricultural products, and there is no unity of rights and responsibility. For example, the price departments are in charge of state prices; the finance departments are in charge of subsidy; the commercial departments are in charge of procurement; the agricultural departments are in charge of the quotas; and the local planning commission or finance commission are in charge of sales in the nature of rewards. Price, subsidy, quota and reward sales are the factors in the actual level of procurement prices, and the price under the charge of the price departments is but part of the makeup of the actual procurement price, while the procure-quota, the ratio of increase price and the supplies to be sold in the nature of rewards are separately administered by the other departments and the localities. The powers and the corresponding economic responsibilities among the departments, the localities and the central financial authorities are not clearly defined, and that is why, despite the central authorities' repeated announcements to the contrary, the practice of raising prices at will, increasing the subsidy, and expanding the scope of negotiated prices and reward sales with every possible means and under various pretexts still remain and cannot be effectively prevented in many localities. The commercial departments are thus compelled to pay higher prices for their incoming goods, and their losses thus incurred have to be subsidized.

## II. The Role of Price Subsidy for Agricultural Products in Economic Life

At present, the price subsidy for agricultural products in our country is mainly for the increased price for above-quota procurement, for losses incurred from the abnormal disparity between procurement and selling prices, and from other forms of prices. This type of subsidy, from either the historical or the present point of view, is necessary before there can be an all-round readjustment of the procurement and selling prices for agricultural products. Its positive role in safeguarding the peasants' economic interests, in arousing their enthusiasm in production, in stabilizing the market prices and the workers livelihood and in promoting the excellent situation of social stability and unity, cannot be possibly overlooked. However, while affirming the necessity and the positive role of this subsidy, we should also be aware of some negative aspects of price subsidy on the economic life. The main aspects are as follows:



First, the state's financial burden is too heavy. In 1981, the state's subsidy for more than 20 different types of commodities (including the five types of imported commodities) totaled 32 billion yuan, or one-third of the state's total budgeted expenditure; and more than 80 percent of this amount was used on prices connected with agricultural products. Unless effective measures are adopted to stop it, the volume of subsidy in future will continue its rise at the rate of billions of yuan each year. Thus a huge portion of increased revenues from the increase in production will be consumed by subsidy.

Second, increased price for above-quota procurement is disadvantageous to the rational pattern of crops and to the implementation of agricultural production plans. Increased price for above quota procurement is calculated on the basis of the base quota of state procurement. In places where the state procurement base quota is high, the ratio of increased prices for above-quota procurement is low; in places where there is low, or no, base quota, the ratio of increased price for above-quota procurement is high, and probably all products will be sold at increased prices as above-quota procurement. Economic interests will induce the peasants to plant those crops promising higher profits, and this is disadvantageous to the old producing areas where the proportion of commodity is fairly high. It is also disadvantageous to the steady development of the main producing areas and will to a certain extent disrupt the rational crop pattern.

Third, the increased price for above-quota procurement disturbs the uniformity of the price level and is inconvenient to economic accounting. A commodity with different prices can be both expensive and cheap, and it is difficult to determine the actual price for figuring out the production cost and profits in agriculture. In buying in their goods, the commercial departments will have to pay at both the state procurement price and the increased price for above-quota procurement price. This will cause more complications to the commercial departments in pricing when they transfer the goods to other departments. It would be even more complicated if the agricultural products, procured at a subsidized price, are supplied to the processing departments to be used as raw materials at the unified transfer price, because the social production cost of these finished products will be artificially lowered. This will not be able to reflect the price of social consumption and is disadvantageous to economic accounting or the the practice of economy by using substitutes.

Fourth, it is disadvantageous to price administration. At present, the actual price level for procuring agricultural products is not decided only by the price departments which set the official price for state procurement and the margin for the increase in price for above-quota procurement, but also in a large measure by the localities which set the base quotas of state procurement. Thus even though the official price for state procurement and the margin of price increase for above-quota procurement remain the same, the lowering of the base quota for state procurement will bring about a rise in the actual price level for procurement.

Fifth, subsidizing the commercial departments for their losses as a result of the abnormal disparity between the buying and selling prices, or other losses from pricing will make it impossible for wages to reflect the actual amount of living labor consumed in production. It will also be a hindrance to their economic accounting and normal commodity circulation, and give an opportunity for speculation by manipulating the prices. Finally, it is disadvantageous to the practice of economy in the consumption of agricultural products.

### III. Solution of the Problems of Price Subsidy for Agricultural Products Explored

As already pointed out, price subsidy for agricultural products is caused by the unduly low state procurement price which brings about an increase in price for above-quota procurement, while subsidy for losses resulting from the abnormal disparity between buying and selling prices is caused by the subordination of price to the wage level. Therefore, the problems with improper price subsidy for agricultural products can only be gradually solved along with the rational readjustment of planned prices and the wage reform. Before the solution of these problems, price subsidy for agricultural products has to be maintained. However, in the immediate future, we can eliminate certain chaos and check the continual increase in subsidy by streamlining its administration, in order to reduce its pressure of the state finance.

First, we should readjust the base quota for state procurement of agricultural products and set the various types of subsidy in order. These base quotas in various localities cannot be lowered without prior approval by the higher authorities, while those which have been lowered without approval should be returned to their original level. In important producing areas, new producing areas, communes and production brigades where the ratio of procurement at above-quota prices to the total procurement is fairly high, the procurement base quotas should be revised by referring to the actual output and volume of procurement in the past 2 years. In the production teams, the ratio of above-quota procurement, for which a higher price is paid, should not be more than 30 or 40 percent. When the prices of commodities have been set by the state, the localities should not increase the subsidy under various pretexts. Any unjustified increase should be abolished.

Second, the regulations for subsidy should be changed in such a way that there will be financial responsibility at all levels, and the party using the agricultural products will also take care of the subsidy. If the central authorities distribute these products, the central authorities will be responsible for the subsidy; and if the locality uses the agricultural products, the locality will be responsible for the subsidy. For the amount distributed by the central authorities, there should be a system of quota responsibility which the provinces must fulfill. These changes in the subsidy regulations will help prevent the reduction of procurement base quotas by the localities and keep the increase in the ratio of above-quota procurement under control.



Third, for the agricultural products whose procurement base quota cannot be easily determined, an average mixed price of fixed proportions of state procurement price and increased price for above-quota procurement should be adopted. The average mixed price should be slightly lower than the actual average procurement price. For those products for which the actual procurement price is already too high, the average mixed price should be lowered. Adoption of the average mixed price should be helpful in reducing the state's outlay. Some areas have already adopted the average mixed price which has proved to be effective in solving contradictions between state procurement price and the increased price for above-quota procurement. Their successful experiences can be used for reference. In using the average mixed price, the proportion of above quota procurement should be set by the central authorities under a unified arrangement. For the areas requiring preferential treatment, some preferential proportion can be set. Between different regions, the prices should be well coordinated through some rational regional differentials so as to avoid uneven prices in different regions.

Fourth, in some areas where the agricultural income is fairly high and the agricultural tax is low, such as in the suburban counties of large cities, an appropriate rise in the rate of agricultural tax should help make up for part of the outlay on price subsidy for agricultural products. At the same time, we can accumulate experiences in changing the form of the responsibility of peasants.

These four measures can be used to control the increase in the amount of price subsidy for agricultural products and to alleviate the sharp contradictions, caused by the subsidy, temporarily. However, they still cannot basically eliminate the side effects of such subsidy. Furthermore, if not properly carried out, these measures can lead to contradictions in other aspects. Therefore, they can only serve as an expedient, and the method to solve the problem still needs to be studied. For the present, we should have a unified understanding and a distinctive orientation and create the necessary conditions for a fundamental reform when the time is appropriate. I believe that the basic way to solve the problem of price subsidy for agricultural products can be studied in the following aspects.

First, we should strengthen the regulative role of planned prices, rationally readjust the procurement prices for agricultural products, and abolish the increased price for above-quota procurement. Some comrades have confused the price regulation under the conditions of socialist planned economy with market regulation and set planned price regulation against planned economy as though price regulation will naturally be accompanied by a state of anarchy. Thus, in their opinion, price regulation and planned economy are mutually exclusive and cannot coexist. This is in fact a misinterpretation of price regulation. Under the socialist system, the main body of price is planned price, which is different from free price. Their different regulative roles should be separated. Free price is based on the law of value and supply and demand.

It fluctuates along with the changes in the conditions of supply and demand. Planned price, however, is based on the basic socialist economic laws, the law of planned and proportionate development, the law of value and the other economic laws. Since it conforms with the objective economic law, it is relatively stable and free from the effects of frequent changes in value and supply and demand. It is also possible for the state to carry out timely readjustments so as to bring into play its regulative role in economic life and to avoid the state of anarchy. Therefore, planned price itself is an important means of planned regulation, and part of planned economy. It is incorrect to summarily dismiss price regulation as being antagonistic to planned economy. We must have a correct approach to the question of the regulative role of planned price and appropriately readjust the irrational prices before we can avoid the mistake of leaving planned price out in the cold at the moment when it should play its regulative role.

Second, we should readjust the agricultural tax and change the policy of relying on pricing for agricultural accumulation. In 1952, 20 percent of our revenues came from agriculture. In 1978, it was down to only 3 percent. This percentage does not indicate the peasants' real contribution to our state revenues, since the state is still obtaining part of its accumulation from the peasants through the channel of prices. This was how the Soviet Union raised its accumulation funds for industrialization when it was under the leadership of Stalin. Our practice in the past 30 years has proved that obtaining accumulation from peasants through price can produce very unfavorable effects. First, it is disadvantageous to economic accounting, and can easily lead to extravagance and waste, since things of high value become cheap. Second, it is disadvantageous to the planned and proportionate development of various sectors of the national economy. Third, it imposes an unreasonable burden on the peasants, because the peasants delivering more products will have to bear a heavier burden. Fourth, when circumstances necessitate the grant of price subsidy, the state's financial burden is increased. At present, people are still not quite clear about the first three adverse effects, although, actually, their handicap to economic development is no less than a heavy financial burden. Way back in the 1960's, Sun Yefang [1327 0396 2455], a noted economist in our country, proposed a change in the peasants' responsibility, and the same proposal was reiterated in 1978. Then in 1979, the procurement prices for agricultural products were increased by a wide margin, thus improving the price parity between industrial and agricultural products, increasing the peasants' income and raising their standard of living. However, while raising the procurement prices of agricultural products by a wide margin, we will not be able to maintain a balance of receipts and payments, if we do not raise the agricultural taxes. I feel that in economic life, both price and tax have their own different roles. Price should be helpful to exchange at equal values and economic accounting. The result can only be limited if we rely on price for redistribution. However, tax need not be returned and is specially intended for carrying out redistribution. Giving the role of tax to price will create difficulties in

exchange and economic accounting, and relying on price to increase accumulation cannot guarantee steady financial revenues. In future, therefore, the purpose of raising the procurement prices for agricultural products should be to maintain a rational price parity; the improvement of peasants' livelihood will mainly rely on economic diversification; and the extent of peasants' contribution to state accumulation will mainly be decided by agricultural tax on the basis of the state's financial needs. Price and tax play different roles, and each one should function separately.

Third, we should raise the marketing prices of agricultural and sideline products in combination with wage readjustment so as to gradually abolish the subsidy for abnormal disparity between buying and selling prices or for other losses resulting from pricing. Since the liberation, we have many times raised the procurement prices without corresponding revisions of the marketing prices. As a result, we had to subsidize the losses from the abnormal disparity between buying and selling prices and from other forms of pricing. This subsidy can only be a temporary expedient but not a permanent measure. Now our subsidy for other than wages is too much. According to a survey in Beijing, the state's subsidy for workers' consumption, in addition to wage subsidy, amounts to 600-700 yuan for each person annually, which is equivalent to the nominal wages of an ordinary worker. Of course, this includes the rent and other subsidies in addition to the price subsidy for agricultural and sideline products. With such a large subsidy, it will be impossible for wages to reflect the workers' actual consumption level. Nor will it help in economic accounting for the enterprises and in economizing on consumer goods. Therefore, we must strive for a correspondence of the prices of consumer goods to their value. Wages should not be a handicap to the rational readjustment of the prices of consumer goods; they should also be appropriately readjusted along with the changes in the prices of consumer goods. Because of the improvement of the state's economy and of the people's livelihood, it is entirely possible to gradually abolish the subsidy for abnormal price disparity and for other losses from pricing.

9411

CSO: 4006/305

'GUANGMING RIBAO' ON GETTING RICH THROUGH LABOR

HK010814 Beijing GUANGMING RIBAO in Chinese 20 Mar 83 p 3

[Article by Ying Guang [2503 0342]: "What Does It Mean for a Number of People to Get Rich First in the Rural Areas?"]

[Text] Since the 3d plenary session of the 11th CPC Central Committee, a number of people in the countryside have gotten rich rapidly through labor in the wake of the reform of rural economic policies. What does this situation represent?

First, this situation represents a rapid development in social production and a sharp increase in social commodities. Generally speaking, if a peasant household earns about 10,000 yuan a year, he can furnish society with a great deal of commodities. It may sell some tens of thousands of jin of grain, or several thousand jin of cotton, or several thousand chickens, or several thousand jin of eggs. Some people do not directly take part in farm production, but do other kinds of work which serves in farm production, such as providing technical assistance and labor forces and transporting commodities. All these help either directly or indirectly to develop commodity production and exchanges and ensure a good use of material wealth.

Second, the situation shows that people's enthusiasm in labor and production has been greatly aroused. When the practice of the "big pot" played a main role in management, people went to work but often idled about. Through reform of the managerial system, responsibility has been properly linked with power and benefit. Thus, the enthusiasm of the peasants in production has been vigorously mobilized. Now, there are indeed a number of peasants who can earn several thousand yuan or 10,000 yuan a year. But this is hard to come by. These peasant households work tremendously hard from dawn till dusk every day. They sweat at their work much more than before. What they gain is by no means a windfall gain.

Third, this situation shows that the wisdom of the peasants has been given full play and their knowledge of science and technology has increased. As a matter of fact, there is a great amount of "talent" among the 800 million peasants in our country. They are well-skilled and experienced and know business and management well. Nevertheless, old conventions were tying their hands. After adopting new methods, the situation changed immediately. These people have freed themselves from their old thinking. They now rack their brains to find ways and



means in production. They cultivate land that had lay waste in the past. They once again foster trades which had been disrupted. Barren hills have now been turned into mountains with numerous fruit trees. Previously dead water areas now abound with fish. Businesses which had long suffered losses today show increased profits. These talented people also attach great importance to absorbing new techniques and experiences. Apart from the party's economic policies, this is why they can run their businesses well with increasing profits.

Fourth, the situation is also the result of radical changes in rural life. When the income of peasants increases, how do they spend this money? Roughly speaking, they usually invest in the expansion of production, buying small farm machines or tools, or good strains of seeds or else synthetic fertilizers. Meanwhile, they also spend the money on improving their living standards, material and cultural, so as to narrow the gap in people's livelihood between the rural and urban areas. In the past, people viewed the rural areas as poverty-stricken, with old thatched cottages and people with worn-out clothing. Today, some people have new houses, fashionable clothing, electrical appliances, and even motorcycles. The life of "bumpkins" has begun to change--from old-fashion to modern. In the past, when talking about the countryside, people used to think of a situation marked by ignorance, a lack of culture, science and reaction, and of people not well-informed. But today, those peasants who have gotten rich first have begun to live a completely new life. They study science, read newspapers, listen to radio and study new data to improve farm production. Some of them even raise funds to run schools, cinemas and shops. Under the influence of these people, a new-type rural fair will arise and a new-type rural cultural center will appear.

However, some people are sceptical toward the policy of having part of the people get rich first. On the whole, they are not clear about two problems: First, they are inured to equate getting rich with exploitation. These people fail to understand that what we did in the past in the agrarian reform and the socialist transformation of the capitalist industrial and commercial enterprises was entirely different from the chivalrous conduct of helping the poor by robbing the rich. What we did in the past was aimed at abolishing the feudal land system and the capitalist system which were obstacles to the development of production. As a matter of fact, we opposed the exploitation of landlords but did not oppose categorically getting rich in a legal way. Second, some people generally agree that our socialist country must begin thriving as quickly as possible. However, do they really think about how to attain this goal? In the past, we used to say that we should follow a path to amass riches together. Roughly speaking, this is correct. However, amassing riches together does not mean getting rich at the same time or simultaneously. What we really advocate is that all people must progressively advance toward getting rich, but the level of richness must vary. Some people may get rich at a quicker pace, and some at a slower pace. This conforms to the law of economic development and accords with the aim of the communist party and the socialist country.

'RENMIN RIBAO' STRESSES FORESTRY CONTRACT SYSTEM

HK080831 Beijing RENMIN RIBAO in Chinese 6 Apr 83 p 2

[Commentator's article: "Do a Good Job in Instituting the Contract System and Promote Reform in Forestry"]

[Text] On 21 March, our paper carried a report on how Hebei's Fengning County proceeded from 10 points to improve the system of contracted responsibilities for planting trees on barren hills. Today, it carries another report on how the hill forests in Hunan's Changde Prefecture have been assigned to households for management on a contract basis. Of these two localities, one is in North China and the other is in South China. Both have achieved good results in tree planting and forest management although the contract systems they adopt are different in form. Their methods of work put forth a problem worthy of serious study in carrying out reform in forestry.

Large numbers of trees have been planted in various localities over the past few years, resulting in a tremendous development in forestry. However, two questions need to be solved in order to develop forestry. One is that the unhealthy practice of indiscriminately felling trees has not yet been stopped in some localities. The other is that the survival rate of newly planted trees is low. A sapling takes a long time to grow into useful timber (and to bear fruit). Hence the popular saying "a tree takes 10 years to grow." In fact, many kinds of trees take more than 10 years to grow into useful timber and to bear fruit. Trees are beneficial in many ways. Their branches, leaves, flowers, fruit and timber are attractive to people who need them. They are therefore easily subject to destruction. It is these characteristics which determine that trees take much longer than ordinary farm crops to grow and yield profits and that forest workers have to exert much more strenuous efforts. For this reason, it is necessary to implement forest rights and establish a strict responsibility system in order that the forest workers will be more devoted to their work and cherish a great sense of responsibility. In the past, tree planting and forest management were carried out by arousing the masses to rush headlong into action. The results were not very good because forest rights and the responsibilities were not clarified and the enthusiasm of the masses was not fully whipped up.

Plant more trees, take good care of them, make them yield beneficial results, increase the vegetation on the earth and produce more timber and fruits for society--this is the starting point of the reform in forestry and the purpose of developing forestry. The masses should be boldly aroused to do all things



meeting this requirement. Inspired by the system of contracted responsibilities with payment linked to output as instituted in agriculture, some hilly and forest regions have liberated thinking and adopted flexible policies. They either allot to the commune members greater plots of hilly land for their private use or assign plots of land on barren hills to individual peasant households or groups of peasant households for afforestation. The trees belong to their planters. Forest rights remain unchanged for a long period of time and are inheritable. In localities where this method of work is adopted, the barren hills which lay idle for many years have quickly become full of life. In some places, the form of forest management has been improved so that a forest belonging to the collective is managed by individual commune members or a group of commune members on a contract basis. In this way, the rights to manage the forest and the responsibilities for cultivating the trees are clearly defined, so as to ensure production of timber and fruit. Being given decisionmaking power, the forest workers take good care of the trees and carry out scientific management. Subsequently, forestry takes on a new look. This new way of developing forestry in the light of local conditions deserves to be seriously studied by the leaders of various localities and to be popularized according to local conditions so as to quicken the pace of reform in forestry.

The institution of responsibility systems of various forms in forestry has opened up beautiful and bright vistas for the development of forestry. The leading organs and the offices in charge of forestry in various localities should give vigorous support regarding funds, skills and saplings and continuously sum up experience so as to improve the measures, rules and systems regarding tree planting and forest management. Efforts must be made to clarify the guiding ideology, formulate practical methods of work and effective measures, arouse the enthusiasm of the masses and mobilize everyone to cultivate and protect trees on hills. Once this is done, the day is not far off when "trees thrive and streams are filled with water" in the mountain and forest regions.

CSO: 4007

## COMMENTATOR STRESSES IMPORTANCE OF GROWING GRASS

HK060903 Beijing RENMIN RIBAO in Chinese 4 Apr 83 p 2

[Commentator's article: "Growing Grass Is as Important as Growing Trees"]

[Text] Gansu Province's Tongwei County was formerly regarded as an area of "incurable" poverty. The area was haunted by droughts, its land was poor, its food grain output was low and the livelihood of the masses there was very difficult. Now, the county CPC committee there is determined to pay attention to the major task of growing grass and is leading the masses of people in "promoting the development of animal husbandry through growing grass and promoting the development of agriculture through the development of animal husbandry." This is a correct path to follow.

For a long time in the past, because of the influence of the "leftist" guiding ideology, poor areas haunted by droughts like Tongwei County also blindly carried out the policy of "regarding food grain as the key link." Some people asked how grass could be grown since there was not even enough food grain to feed the people. They set the growing of grain against the growing of grass and were unable to include the task of growing grass in their work agenda. In fact, growing grass where appropriate in areas like Tongwei not only will not hinder the grain production there, but will promote it. Growing grass will increase the percentage of organic matter and nitrogen in the soil. When there is grass, animal husbandry can be developed to directly increase the income of the masses of people. Through the development of animal husbandry, organic fertilizer will increase and this will effectively raise the yield of the land. During the 3 years when the Nabo production team in Tongwei County was in difficulties because the underdeveloped animal husbandry caused by lack of grass could not provide much fertilizer, the per-mu grain output was only about 50 jin. Later, because of the development of grass growing, grain output increased to more than required for self-sufficiency. This constitutes convincing evidence.

Others are of the opinion that it is impossible to grow grass in drought areas. In fact grassland plays a great role in preserving soil and water. According to the statistics collected by experts on grassland, on the loess plateau, grass can play as good a role as trees in preserving water and soil. Grass can absorb as much water as forests do in areas with relatively high rainfall, but grass is better than forests in fixing the soil and preventing soil from being washed away. "An inch of grass can stop 100 inches of wind." Grass can also reduce the erosive effects of wind-blown

sand and plays a beneficial role in adjusting temperature. Therefore, the more seriously an area is afflicted by droughts, the more urgent it is for that area to grow grass in order to strike an ecological balance and turn a vicious circle into a beneficial one.

Growing grass is of great significance in readjusting our country's agricultural structure and in achieving an all-round development of agriculture, forestry, animal husbandry, sideline undertakings and fishery. In our country, many areas are suitable for growing grass. We cannot only grow grass in areas like Tongwei that are often afflicted by droughts, but also in the mountainous areas which constitute more than 60 percent of our territory. Naturally, we should grow grass in our pastoral areas, but we should also grow grass in agricultural areas. Grass has a very strong vitality and can be grown in both spring and autumn. Its growth period is short and it can be harvested within a year of sowing. It propagates luxuriantly as is described in the two lines of a poem: "Not even a prairie fire can destroy the grass, it grows again when the spring breeze blows." Therefore, once it is grown, it will survive for many years. Growing grass requires very little investment and is indeed work that will bring about quick results.

Spring has returned and all living things have become active again. All areas should allocate some labor and materials to growing grass while paying attention to planting trees in spring. As for the problem of where it is appropriate to grow grass, which areas have priority for growing grass and which areas do not and how grass should be grown, the relevant departments should draw up some plans and earnestly solve the actual problems related to fine grass seeds and grass cultivation technology. As long as we persist for several years in paying attention to this work, we will surely achieve good results. We should cover our land with green grass.

CSO: 4007

TORRENTIAL RAIN CAUSES SHANTOU FLOODS

HK100533 Guangzhou Guangdong Provincial Service in Mandarin 0445 GMT 10 Apr 83

[Text] Heavy to torrential rains fell in Shantou Prefecture from 0800 on 8 April to 0800 on 9 April. Some places had violent rainstorms. As a result the rivers rose rapidly. Flood crests 0.7 to 1.58 meters above the warning level occurred on the Rongjiang, Luojiang and Longjiang rivers yesterday afternoon. In some places farmland was flooded, traffic halted and buildings destroyed. Some of the masses were marooned by flood waters. Pingyuan District in Changhai County, the banks of the Lianjiang River in Puning County, and Hongyang Commune and other places were inundated. Changhai County seat was flooded to a depth of 0.7 meters. Some water conservancy projects such as reservoirs and embankments were damaged.

After the disaster occurred, the prefectural and county party and government leadership and the cadres and masses of the affected communes and brigades immediately plunged into the antiflood struggle. These masses who were marooned were safely led out of danger. Arrangements were made for the calamity-stricken masses, and the work of draining flooded land and promoting spring farming was launched.

CSO: 4007

# CONTRACTING SEEN AS MEANS TO INCREASE FRESHWATER FISH PRODUCTION

## Increase in Contracting Households

Beijing ZHONGGUO NONGMIN BAO in Chinese 10 Feb 83 p 1

[Text] Guangdong Province's freshwater breeding industry has continued high speed development during the past several years. In 1982, freshwater fish output reached 264,000 tons, 50 percent more than in 1978. For the province as a whole, pondfish yields averaged 390 jin per mu, 2.5 times the national average. In the major producing area in Nanhai, Zhongshan, and Shunde, 430,000 mu of fishponds averaged yields of 530 jin per mu. This included 100,000 mu with yields of more than 1,000 jin per mu. In more than 200 mu of fishponds contracted by specialized families, yields were more than 2,000 jin per mu.

Guangdong Province is renowned as a "land of fish and rice," and in the Pearl River delta, in particular, peasants have raised fish for generations. For a long time, as a result of the influence of "leftist" ideology, the fishing industry did not receive the serious attention and development it deserved. Following the Third Plenary Session of the 11th Party Central Committee, the enthusiasm of the broad masses of peasants for rearing fish reached unprecedented heights. In the 3 years between 1979 and 1981, freshwater fish output increased an average 8.8 percent annually, and in 1982 it again spurted by 10.6 percent. This brought to a close a more than 20 year period of hovering at less than a 1 percent increase per year. As a result of readjustment of the pattern of fishpond distribution and development of lowlands, a breakthrough was also made in the fishpond area, which had been static for a long time around 1 million mu, for an expansion to 1.26 million mu. Doumen County "dug out ponds and used the dirt to raise the height of fields." Each year for the past 4 years it increased its fishponds by 10,000 mu, growing grain and sugarcane, and raising hogs around them, feeding the cane leaves and hog dung to the fish, and using the pond mud to fertilize the fields. Thus, it was able to bring about comprehensive growth in grain, sugarcane, hogs, improve low-lying sandy fields and find means of creating a benevolent cycle. New break-



throughs were also realized in the varieties of fish raised. High yield, superior quality hybrid fushou fish rapidly spread over a 250,000 mu area in 1982. Commune member family fish rearing also developed with great speed. Even Wuzhi Mountain region, which had no tradition at all in rearing fish, began to dig ponds and build dams. By 1982, the number of households in the province rearing fish had expanded to 550,000.

Specialized contract systems of responsibility created by the masses have been a powerful force in the rapid expansion of freshwater fish rearing in Guangdong Province. In 1979, Chen Zhixiong [7115 1807 7160], commune member in Shapu Commune, Gao-yao County was the first to contract a fishpond. This encouraged and attracted the broad masses of peasants. Shunde County, a fishpond commodity base, experimented preliminarily in 1982 with the contracting of sole responsibility for one-third of its fishponds, with the result that 80,000 mu of ponds increased yields by 20 to 30 percent. At the Dongfeng Production Brigade in Leliu Commune, 1,500 mu of fishponds produced an average 470 jin per mu of fish in 1978. After practicing large scale assignment of sole responsibility, this increased to 1,060 jin in 1982. Such a speed of increase not only astounded the experts, but even the peasants themselves dared not believe it. Practice has shown that in freshwater breeding as in other fields, contracting means effectiveness. In 1982, more than 70 percent of the province's fish breeding units instituted assignment of sole responsibility. The number of specialized households and key households engaged in the rearing of fish has expanded to 220,000.. They have become not only the mainstay of the local fishing industry, but have begun to contract outside the prefecture, do pioneering contracting, and initiate a new situation in the export of skills and the opening of new areas. At the same time, all kinds of economic partnerships such as the state and commune jointly operated Animal Husbandry and Aquatic Products Associated Company in Gao-yao County, and the Zhao Integrated Fishing, Industrial, and Commercial Company in Yangjiang County have newly appeared. This has given impetus to a reform of the fishing industry's economic management system.

At the present time, Guangdong Province is in process of further summarizing the masses' experiences, maintaining, improving, and spreading specialized contract responsibility systems, and diligently solving difficulties encountered in the development of specialized households. This year the province's freshwater fish rearing industry shows prospects for even greater development.



## Major Role of Contracting Households

Beijing ZHONGGUO NONGMIN BAO in Chinese 10 Feb 83 p 1

[Text] Contract responsibility systems linked to output have been a powerful force for the rapid development of China's agriculture, and have been profoundly welcomed by the broad masses of people. Practice in Guangdong Province has shown that with freshwater breeding as well, contracting means effectiveness. Contracting linked to output is also a powerful force for development of freshwater breeding.

China has abundant natural resources for freshwater breeding, the water surface area of the country suitable for breeding amounting to 750 million mu. Development of freshwater breeding requires small investment and a short cycle, and yields high benefits. It is a major sector of the national economy. However, for many years China's freshwater breeding industry did not develop rapidly; water surfaces capable of rearing fish were not used to the full; output was not high; and development was very unbalanced from one place to another, and very unable to meet ever increasing market needs.

Development of freshwater breeding requires that certain conditions be made ready. There are questions of leadership, questions of funds, questions of skills and facilities, questions of fish fry and feed, etc. However, most important is arousal of the enthusiasm of producers. In freshwater breeding as in agriculture, the objects of production are living things. They are limited by objective conditions, and circumstances change in countless ways requiring that producers possess a high degree of responsibility, change as circumstances require, and provide painstaking care. In order to achieve this, it is necessary to link the fruits of production directly to producers, and the best way of doing this is to institute a contract responsibility system linked to output. Linking to output is like the linking of affections; those who are linked worry. When producers are enthusiastic, they will do everything possible to overcome difficulties, create conditions, tap potential, and improve effectiveness. Contracts linked to output have brought about rapid development of Guangdong's freshwater breeding. Were every jurisdiction to institute such a responsibility system, the country's freshwater breeding industry would make a great breakthrough, and a brand new situation would very soon appear.

9432

CSO:4007/101

'GREAT' INCREASE IN HYBRID RICE YIELDS REPORTED

Guangzhou NANFANG RIBAO in Chinese 13 Feb 83 p 1

[Article: "Great Increase in Rice Yields in 1982; Hybrid Rice Performs Marvelously. Universally High Yields Harvested From Province's Almost 10 Million Mu of Hybrid Rice"]

[Text] In 1982 the province grew 9,982,000 mu of hybrid rice, almost double the 5.02 million mu of the previous year. As a result of the overall coordination of all measures for increased agricultural yields, hybrid rice lived up to its full potential for increased yields, substantial harvests being taken everywhere. Statistics from nine prefectures (and municipalities), including Zhanjiang and Shaoguan, show a more than 7.47 million mu area sown to hybrid rice in 1982 and producing yields averaging 745.6 jin per mu. Conventional rice varieties grown on 37.7 million averaged yields of 550.9 jin per mu. Hybrid rice yields were 194.7 jin per mu more than conventional rice yields. In 1982, the area of the province planted to hybrid rice amounted to only 17 percent of the total rice-growing area, yet output was 22 percent of the province's total rice output.

In order to do a genuinely good job of growing hybrid rice, all prefectures and counties established hybrid rice leadership organizations, and provided support in funds, materials, and techniques. All jurisdictions emphasized seed production and apportionment of seeds. In 1982, the area of the province used for superior hybrid seed production was 235,000 mu, which yielded 124.6 jin per mu. This was 27 jin per mu more than during the previous year, and substantially satisfied the provinces needs for seeds. At the same time, all jurisdictions launched widespread popularization of science and technology, summarized many year's practice into a body of high yield farm care techniques, and spread the farming campaign into countless households, thereby raising hybrid rice yields to a higher level.

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CSO:4007/101

BRIEFS

GUIZHOU SOIL IMPROVEMENT, CONSERVATION--The provincial government has allocated 9.5 million yuan to carry out soil and water improvement and conservation at 100 points in 33 counties suffering from serious soil erosion. Due to wanton felling of trees in the past, some areas in the province have suffered from serious soil erosion, adversely affecting agricultural production. Soil erosion is particularly serious in Bijie Prefecture. Recently, scientific and technological personnel have been organized to conduct investigations into the matter in Bijie, Qianxi and Jinsha counties, all suffering from serious soil erosion. [HK081335 Guiyang Guizhou Provincial Service in Mandarin at 1100 GMT 7 Apr 83 HK]

CSO: 4007

DROUGHT AFFECTS HEBEI SPRING FARMWORK

HK070655 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 1 Apr 83

[Summary] Hebei has launched a drive to fight drought and ensure spring sowing and the summer harvest. The province has had little rain and snow since last September. Up to February, average precipitation was only 57 millimeters, more than 30 percent less than normal. As a result of the drought, some 60 percent of the province's farmland is short of moisture. This has posed a serious threat to spring sowing and the growth of the wheat crop.

Just after the spring festival, the provincial government held a meeting to make arrangements for spring drought-fighting, and also issued a circular mobilizing the cadres and masses to overcome the drought and strive for a bumper harvest. The government has allocated 10 million yuan to communes and brigades in economic difficulty in places where the drought is serious and water conservation conditions are poor. Due to the prolonged drought, the water table has fallen in most parts of the province, while there is not enough surface water. Attention is therefore being paid to scientific and economic use of water.

CSO: 4007

## HEILONGJIANG ISSUES ANTIDROUGHT CIRCULAR

SK050456 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 4 Apr 83

[Text] The provincial CPC Committee and the provincial people's government issued an emergency circular today, urging the people throughout the province to realistically do a good job in combating the spring drought so as to ensure spring sowing.

The circular points out that it is a foregone conclusion that the southwestern and eastern areas of our province will suffer from the spring drought. It urges localities across the province to regard the work of successfully combating the spring drought in order to ensure spring sowing as a pressing task of the current period.

The circular points out: at present, our province is vigorously engaging in wheat sowing. An excellent situation of farming preparations and spring farming has prevailed in all rural areas. The high production enthusiasm shown by the masses is unprecedented in recent years. However, the spring drought occurring in the southwestern and eastern areas of our province is seriously threatening spring farming and sowing. According to the weather forecast, the dry spell will continue to develop during the spring farming period. Therefore, we must be sober enough to discern the seriousness of the drought and must foster the thinking of overcoming the spring drought and doing a good job in spring farming so as to wrest a bumper harvest this year.

The provincial CPC Committee and the provincial people's government urged leading personnel at all levels to regard the work of concentrating on successfully combating the drought and conducting sowing operations as the current central task of rural areas. This is the key task that has a vital bearing on our province doing a good job in restoring production strength this year after the plague of the last 2 years so as to create a new situation in agriculture. Localities should firmly grasp the implementation of various measures for combating drought to ensure sowing operations. In about 15 days, efforts should be made to make best use of water conservancy facilities, to tap the latent potentialities of existing water sources and to arouse the masses to conserve enough water for sowing operations. It is also necessary to arouse households that have enacted responsibility systems to make concerted efforts to combat the drought in a timely manner by offering manpower and transport tools. Efforts should be made to organize the masses to seize the time suitable for sowing and to make adequate arrangements for farm machines and draft animals in conducting

sowing operations in a timely manner. Attention should be paid to giving full scope to the role of farm machines that contribute to seizing the time suitable for sowing operations and to conserving soil moisture to combat the drought. It is also necessary to seize the time suitable for farming and to do a good job in ploughing, harrowing and leveling farmland in order to conserve moisture. In line with local conditions, wheat sowing in farmland on which it is impossible to make wheat seeds sprout under dry conditions should be changed into the sowing of cold-resistant crops such as corn and gaoliang. A good job should be done in preparing strains of later period crops for emergency needs.

The provincial CPC Committee and the provincial people's government urged leading personnel at all levels to go together with organs' cadres deep into the forefront of spring sowing operations and into every household to help them solve practical problems so as to carry out in a down-to-earth manner the work of combatting drought in order to ensure spring sowing.

CSO: 4007



HEILONGJIANG REDUCES PEASANTS' BURDEN

SK012256 Harbin HEILONGJIANG RIBAO in Chinese 16 Mar 83 p 1

[Text] Zhujia Commune in Linkou County has taken measures to stop the practice of delivering a higher portion of commune members' production to the state. The quotas for the portions of each mu's production to be delivered to the state have been generally reduced and the practices of leading an idle life, extravagance and waste have been overcome.

The commune took six measures to stop the practice of delivering a higher portion of production to the state.

- 1) Households should hand over in to the state taxes on production from all land, except private plots, in accordance with the differences in land and the standards of each mu's production.
- 2) Adopt two ways to calculate accumulations funds. One way is based on the average amount of payments to the state in the past 3 years. The other way is based on annual real expenditures on capital construction projects.

Further consideration should be given to the real situation of the masses who have purchased vehicles, horses and means of production in the first 2 years of implementing the contracting system and to properly reducing the amount of their payments.

- 3) Properly spend public welfare funds on public cultural and welfare services, and use the funds to give special care to family members of revolutionary martyrs and servicemen and to take care of five-guarantee and poor households.
- 4) Depreciate the fixed assets of the collectives and only use the fixed assets left over by the collectives.

Depreciation funds, which have been deducted from state payments in line with the contracting system for specialized production, should not be withdrawn under any pretense.

- 5) Funds for administration and management, official trips and handling official business should be strictly reduced.
- 6) It is not permissible to convert the loss of working time in doing voluntary work, capital construction work and militia training into money and, thereby, to add it to the portion retained so as to raise the retained quotas.

All production teams in the commune should check the contracting system in line with these issues to correct the unhealthy practice of delivering a higher portion of production to the state and plug up all loopholes.

CSO: 4007

MEETING ON REFORMING COMMUNE ADMINISTRATION

SK061242 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 5 Apr 83

[Excerpts] The provincial conference on separating the government administration from commune management and on setting up township governments and village resident communities on a trial basis concluded on 4 April.

The conference decided: in the first half of this year, most people's communes of the province should reform the system of combining the government administration with commune management and set up township governments and village resident communities on a trial basis. In the second half of this year, province should hold meetings to exchange experiences in pilot work and make comprehensive plans.

In line with the experiences of our province and other parts of the country, the conference put forward: while reforming the system of combining the government administration with commune management and setting up township governments and village resident communities on a trial basis, our province should abide by some principles.

1. Abide by the principle, which is conducive to stability and unity, to stabilize the thinkings of cadres and the masses.
2. Abide by the principle, which is conducive to overcoming and correcting the contradictions of combining the party with the government and of not separating the government from [words indistinct].
4. Not increase state administrative expenses, streamline administration and reduce the burden of the masses.
5. Take care of the living conditions of the masses, their historic customs and natural conditions to enable the masses to practise democratic rights.

CS0: 4007

## HENAN EXTOLS LIUZHUANG, BAIZHUANG BRIGADES

HK040546 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 3 Apr 83

[Text] The party organizations and members throughout Xinxiang Prefecture have actively responded to the call of the provincial CPC Committee and government and launched in depth a drive to learn from Liuzhuang and Baizhuang brigades. A new situation of comparing, learning, catching up, helping, and overtaking has emerged in the prefecture.

After the provincial CCP Committee and government issued a decision at the beginning of this year on learning from Liuzhuang and Baizhuang, the prefectural CPC Committee Standing Committee held a conference to study the matter. The committee called on party organizations at all levels to get a good grasp of this work. Jiyuan, Mengxian, Huixian and Qinyang counties convened meetings or enlarged meetings of their CPC Committee Standing Committees to study and decide on measures for learning from these two brigades in light of their own conditions. (Loucun) Brigade in Huojia County had failed to stabilize its agricultural production responsibility system form for a long time. While learning from these two brigades, they contrasted themselves with the experiences of Liuzhuang in seriously implementing production responsibility systems in light of local conditions, analyzed their own production conditions and level, and instituted a production responsibility system of unified management, division of work by specialities, and overall contracts and distribution. A notable change took there in only 1 month or so. In the past irrigation was done rather roughly in some fields. This year watering and manuring have been done thoroughly and carefully.

The Xinxiang Prefectural CPC Committee recently convened a rally to commend units and individuals that have made fine progress as a result of learning from Liuzhuang and Baizhuang. The rally cited and rewarded 14 progressive commune CPC Committees, 52 progressive party branches and over 300 outstanding party members. A mass movement to learn from Liuzhuang and Baizhuang and strive to become progressive and outstanding has been unfolded throughout the prefecture.

CSO: 4007

## BRIEFS

HENAN PEASANTS' INCOME INCREASES--According to the investigation conducted by the agricultural department of the Henan Provincial Statistical Bureau, the income of commune members' households in the province in 1982 increased again. The per capita net income was 216.70 yuan, an increase of 0.5 percent over 1981. With the increase in income, the annual per capita expenditure of commune members in the province last year was 177.00 yuan, 7.4 percent more than in the preceding year. The per capita amount of savings deposited in banks and cash in hand by the end of 1982 was 40 yuan, 130 percent more than in 1978. [HK020336 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 22 Mar 83 HR]

CSO: 4007

## STATION COMMENTARY ON REFORM, FARMING

HK071325 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Apr 83

[Station commentary: "Grasp reform To Promote Spring Farming"]

[Summary] At present, rural areas in Hubei Province have carried out spring farming in an all-round way. There are many advantageous conditions for doing well in spring farming this year.

Last year, our province reaped a big bumper agricultural harvest. Some 97 percent of the production teams have implemented the all-round contract system, and peasants' enthusiasm has become very great. Structural reform in our province is being conducted simultaneously in a planned and systematic way in accordance with the CPC Central Committee's arrangements. Reform will become a powerful impetus to developing production and to making the cadres and the masses of commune members strive to fulfill their spring farming tasks with one heart and in one vigorous effort.

"However, at present a small number of people fail to clearly see this excellent situation. Their attitude toward structural reform is not correct enough. They have a slack mood and have taken a wait-and-see attitude. They have not grasped work which should be grasped. They have not gone down to grassroots units where they should go. They have left their posts and looked on unconcerned. This situation has brought a bad influence on current spring farming. We hope that cadres at all levels will seriously implement all regulations on structural reform of the central authorities, which should be observed by cadres at all levels. They must stand fast at their posts, arouse their enthusiasm and do their work well.

"We must also see that comrades who sit and wait for structural reform have an excuse that as the system of peasant households assuming full responsibility for task completion is implemented. Work should cease and that as peasants are devoted to farming, cadres need not worry about spring farming. Of course, when the responsibility system is implemented, peasants have decisionmaking power in farming, the past method of urging peasants to carry out farming is really inapplicable. However, there are many things about which cadres must worry. For instance, some places have so far not signed contracts for production and some other places have not sufficiently perfected the system of contracted responsibilities with payment linked to output and peasants there have become worried.

This requires us to help them perfect the responsibility system and sign contracts as quickly as possible so that peasants can wholeheartedly plunge into spring farming."

In places which have implemented the all-round contract system, we must ensure the fulfillment of the state quotas and ensure a rational proportion among the areas sown to grain, cotton and other industrial crops. This also requires us to do more ideological and organizational work more meticulously. In addition, we must help households in difficulties do a good job in spring farming. Regarding the supply and allocation of chemical fertilizers, seeds, agricultural chemicals and other means of production which are urgently needed in spring farming, regarding the overhaul and use of agricultural machinery and tools and water conservation facilities and regarding the popularization and application of advanced technology, we are required to go into realities to conduct investigation and study and help peasants to specifically solve these problems.

When Hu Yaobang was inspecting our province's work, we demanded that our province's four modernizations go ahead of the whole country. The provincial CPC Committee put forward that the province's total agricultural output value this year must be some 5 percent more than last year, grain production must increase by 1 billion jin, total cotton output must reach 8.2 million dan and diversification and industrial and sideline production must further develop. To complete this glorious and arduous task, all our cadres and peasants must make concerted efforts and work hard.

CSO: 4007



## RADIO URGES CONTRACT SYSTEM FOR STATE FARMS

HK070155 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Apr 83

[Station commentary: "State-Owned Farms Can Also Adopt the Contract System"]

[Text] The experience of the (Yangchenhu) Farm in pursuing the responsibility system shows that state-owned farms can also adopt the all-round contract system on a household basis in production.

For a long time in the past, state-owned farms have been implementing the fixed-wage system. The way they organize production is always to concentrate the work force. So there is also the practice of eating from the same big pot as previously existed in rural communes. This is a major malady in state-owned farms. It is also the key reason for the slow development of these farms in the past, which mostly incurred losses year after year. This malady can be overcome if the output contract system is adopted.

At present, quite a few cadres still fear that the whole-people-ownership character of these farms will be changed if they adopt the contract system. These misgivings are, in fact, unnecessary. Compared with rural communes, although state-owned farms have a different ownership system and production means, both sides have the same production objects and processes and have a uniform production objective. Their distribution principles are also the same. In the course of adopting the all-round contract system, so long as we correctly handle the relationship between centralization and help and the relationship between the state, the farm and the worker, the reform of the management of operation system will never lead to a change in the nature of the ownership system. Of course, we cannot completely copy the practice of rural communes; instead, we must work out our own method suited to our state-owned farms' conditions and characteristics.

CSO: 4007

## HUNAN MEETING ON RURAL REFORM PILOT PROJECTS

HK060241 Changsha Hunan Provincial Service in Mandarin 2310 GMT 5 Apr 83

[Text] From 3 to 5 April, the Hunan Provincial CPC Committee held a meeting in Changsha in pilot project work in separating government administration from commune management and establishing townships. Present at the meeting were comrades responsible for this work in all prefectures, cities and counties, and directors of civil affairs bureaus.

The meeting studied and implemented the spirit of the relevant documents of the provincial CPC committee and listened to an introduction of the experiences of Libyang County in pilot project work for separating government administration from commune management and establishing townships.

The meeting held: separating government administration from commune management is an organizational reform to meet the needs of strengthening rural grassroots political power and putting the rural collective economy organization on a sound basis in the new historical period. In order to gradually extend and do a good job of pilot projects in separating government administration from commune management and establishing townships, the meeting stressed: The leaders at all levels must actively, enthusiastically and spontaneously take part in the reform pilot projects. They must promptly investigate the problems that occur, sum up experiences and lessons, look into reform measures, and unswervingly press ahead with this pilot project work.

CS0: 4007

## DONGTAI COUNTY CUTS GRASSROOTS RURAL CADRES IN HALF

OW130640 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 12 Apr 83

[Text] In order to make the leading bodies at the grassroots level smaller in size but highly trained and to reduce the burden of peasants, during the first quarter Dongtai County has trimmed the number of rural cadres and brigade and production cadres by a total of 54 percent. According to statistics, the burden borne by peasants in the whole county in subsidizing cadres will be reduced from an average of 7.5 yuan per person in last year to 4.9 yuan this year.

Since the system of assigning full responsibility to households in the countryside was instituted, peasants have earnestly hoped that the situation characterized by the excessive number of cadres and paying higher subsidies to cadres would be changed. An investigation conducted by Dongtai County showed that for every 7.7 households in the rural areas there is a brigade or production team cadre. The county CPC decided to change this situation. After experimenting at selected communes, the county CPC committee in late February decided to trim the number of brigade and production team cadres and to rationally solve the payment for cadres.

In general, from four to seven cadres will be assigned to each brigade and from two to three will be assigned to each production team. A responsibility system will be implemented to handle subsidies for cadres in an overall manner so that each individual concerned will receive the basic subsidies.

In March, various communes, starting from selected localities to general areas and from brigades to production teams, carried out work in an earnest and steady way. By the end of March, Dongtai County had basically completed the work of reducing the number of rural cadres. Those cadres who were retrenched but are capable to work will be given more "responsibility fields" to cultivate or assigned to work in industrial, commercial, transport and service units. Those who are old, physically weak and cannot work will be adequately provided with more subsidies from funds accumulated by commune-run and brigade-run enterprises, so that each person is properly provided for and placed.

After having consolidated and perfected the on-the-job responsibility system and implemented the standards for giving annual subsidies, the enthusiasm for work among county-level cadres has been greatly enhanced. The peasants said happily: Our burden has been lightened as the number of cadres has become smaller but more capable. The county CPC committee has performed a good deed.

CSO: 4007

## BRIEFS

**JILIN DRIED GRAIN**--As of 30 March, Jilin Province dried 1.45 billion jin of grain, fulfilling 31.7 percent of its grain drying task. In 1982, our province reaped a rich grain harvest and procured over 8 billion jin. [Changchun Jilin Province Service in Mandarin 1030 GMT 8 Apr 83 SK]

**JILIN VOLUNTARY AFFORESTATION**--Jilin Province scored achievements in afforestation in 1982. Over 10 million people participated in this campaign, planting a total of 120,349,000 trees in the urban and rural areas. The survival rate of the trees was 80 percent in the urban areas and 70 to 90 percent in the rural areas. In addition to afforestation, nine cities in Jilin Province including Changchun also built lawns and flower beds totalling 557,000 square meters in area to beautify the environment. [Changchun Jilin Provincial Service in Mandarin 1030 GMT 11 Mar 83 SK]

**JILIN AFFORESTATION PLAN**--Jilin Province and Changchun City held a radio and television mobilization rally on voluntary afforestation on 1 April. Some 1,500 persons including provincial and city office cadres, soldiers, commune members and students, attended the rally. Deputy governor Wang Jiping spoke. He said that in 1983 Jilin Province plans to afforest 2.5 million mu and plant 53.04 million trees on a voluntary basis. Changchun and 8 other cities plan to plant 8.5 million trees, build flower beds covering an area of 500,000 square meters, and build lawns covering an area of 250,000 square meters. The province as a whole will cultivate 257,300 mu of saplings. [SK101126 Changchun Jilin Provincial Service in Mandarin 1030 GMT 1 Apr 83 SK]

**JILIN NONSTAPLE FOOD SUPPLY**--On 12-16 March, the Jilin Provincial People's Government held a provincial work conference on the production and marketing of nonstaple food to accelerate the development of nonstaple food production and to create a new situation in the supply and marketing of it. Huo Mingguang, secretary of the provincial CPC committee, made a speech at the conference. [Changchun Jilin Provincial Service in Mandarin 1030 GMT 16 Mar 83 SK]

CSO: 4007

## LIAONING

### BRIEFS

LIAONING NEW AIRLINES--Two air routes respectively from Liaoning Province's Shenyang to Wuhan via Beijing and from Shenyang to Guangzhou via Tianjin, which were newly designated by the civil aviation bureau, were opened to traffic on 1 April. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 1 Apr 83 SK]

LIAONING FIELD CROP--The sowing of field crops has begun in rural areas of Shenyang City, Liaoning Province. As of 7 April, some 87,000 mu of fields were sown with maize and other field crops. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 8 Apr 83 SK]

LIAONING PEOPLE'S INCOME--In spite of serious natural calamities, the total 1982 income of basic accounting units in Liaoning Province's rural areas increased by 3.4 percent over the previous year. Commune members' income from collective distribution reached 131 yuan per capita, an increase of 6 yuan over the previous year. The counties and districts with more than 200 yuan of per capita income rose from 11 in 1981 to 15 in 1982. The communes with more than 200 yuan of per capita income rose from 123 to 343. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 4 Apr 83 SK]

CSO: 4007



COMMENTARY ON COMMERCIAL REFORM

SK040544 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 Apr 83

[Station commentary: "Reform the Commercial System in a Vigorous and Sound Manner"]

[Text] After the convocation of the regional meeting of banner and county party committee secretaries, commercial reform has been carried out in breadth in a guided and step-by-step manner in the urban and rural areas. The progress in reform is inspiring. Leading the commercial reform in a vigorous and sound manner is a matter of great importance on the commercial front. To do a good job in commercial reform, continued efforts must be made to eliminate the leftist influence. We must fully estimate the seriousness of the leftist influence which has for years affected our economy, social life and other spheres of work.

Since the third plenary session, despite our efforts to set things aright, there are still old restrictions and habits hampering the initiative of the people in doing practical work. Therefore, it will be hard to guarantee smooth progress in the reform without eliminating the leftist influence. One of the most important issues in commercial reform, like that in other reforms, is to give full rein to the internal force of enterprises and the staff and workers. In the past, we repeatedly stressed the necessity of improving service quality and service attitude. However, no improvements were made despite years of publicity in this regard. Many commercial units still cling to out-dated operation methods. An 8-hour business system and a cold, unconcerned service attitude, this is mainly caused by the practice of the "big common pot" and "iron rice bowl," which greatly hampers the work enthusiasm of the staff and workers. Now that we are to carry out reforms, we must break with the practice of the "big common pot" and "iron rice bowl" and fully mobilize the socialist enthusiasm of the people.

Where should we start our work in commercial reform? The key point in commercial reform is to promote the contracting responsibility system in management so as to closely integrate the responsibilities, rights and profits of the state, enterprises and staff and workers. A good grasp of this line will enable us to get to the essentials of this work. Otherwise, reform will be impossible to carry out.

The commercial front is broad in scope and it embraces many commercial units which also need to meticulously sub-divide their work. Commercial centers are scattering everywhere and doing business in all corners of the land. Much subsidiary work needs to be done simultaneously in order to effect the reform. In instituting the contracting responsibility system, we must proceed from the actual situation and must not mechanically copy or seek uniformity. Regardless of what forms of responsibility systems we have adopted, we must give consideration to the interests of the state, collectives and individuals so as to ensure that the state will get the largest portion of profits, enterprises will get the middle portion and the individuals will get the small portion.

At present, we must give correct guidance and warm support to commercial workers in mobilizing their enthusiasm in the reform. Furthermore, we must keep sober minded and must not rush headlong into mass action. Leading comrades of the commercial departments at all levels must have courage to stand in the van of the reform, do research work in grassroots units, use the experience of selected units to promote work in the entire area, publicize exemplary cases and give different guidance in the light of different cases so as to enable commercial reform to be developed in a steady and healthy manner.

CSO: 4007

## SHANDONG REFORMS GRAIN SUPPLY, DISTRIBUTION METHODS

SK020958 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Apr 83

[Text] The provincial meeting of directors of grain bureaus in various prefectures and cities, which was held by the provincial grain department, has decided to reform the grain operation methods to improve the supply of grain and edible oil. In supplying grain to the masses, the present method of supply by ration books at fixed amounts should be changed to the method of allowing the masses to purchase grain by ration books or grain coupons in amounts they determine. The masses are permitted to go to grain stores to exchange their unused grain, as recorded in their ration books, for other varieties of crops or for edible oil coupons in a fixed proportion. With the edible oil coupons, the masses are allowed to purchase not only edible oil, but also peanuts, sesame seed and other oil-bearing seeds. Plants, schools and vegetable teams in suburban areas are allowed to run collective grain shops in line with the demands and to sell grain for grain departments on a commission basis. It is also permissible to let a proper number of individual households sell the grain and edible oil which have been purchased by them at negotiated prices. Such households are also permitted to sell grain and edible oil, which have been purchased at negotiated prices, for grain departments on a commission basis so as to make things convenient for the masses in buying grain.

The meeting called for great efforts to develop grain food and oil food production and dealings(?) and develop the feed industry in order to improve people's living conditions and the development of animal husbandry and breeding industry. This year the grain departments will produce 70 percent more grain and oil foods than last year. Meanwhile, 45 new feed-processing plants will be built and the output of mixed feed will double that of last year.

CSO: 4007

## SHANDONG

### BRIEFS

SHANDONG AGRICULTURAL OUTPUT--Shandong Province's Liaocheng Prefecture has made remarkable achievements in reforming agricultural operations and management systems and agricultural economic structures and in rural scientific and technical transformation since the third plenum. The prefecture's agricultural output value increased from 810 million yuan in 1978 to 1.83 billion yuan in 1982, a 1.26-fold increase. The per capita distribution in 1982 reached 251 yuan, a 4.4-fold increase over 1978. [SK101221 Jinan Shandong Provincial Service in Mandarin 2300 GMT 2 Apr 83 SK]

CSO: 4007

## XINDU COUNTY REFORMS VILLAGE MANAGEMENT SYSTEM

HK111512 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 10 Apr 83

[Text] Xindu County has boldly reformed the village and production team management system. In conjunction with the reduction of the number of village and production team cadres, all townships throughout the county have universally set up villagers' committees and villagers' groups. The masses' democratic rights have been fully respected, their burdens have been lightened, relations between the cadres and the masses have become closer and very good economic results in society have been achieved.

In accordance with the provisions of Article 110 of the new constitution, the villagers' committees established are mass self-management organizations at the grassroots level. The villagers' committees are management organs which are selected in the interests of the masses to represent the masses' will.

The majority of rural areas have implemented the system of electing or advertising for cadres. The number of cadres at both village and production team levels throughout the county has been reduced from some 16,000 to about 6,000. As the number of cadres has been reduced and work efficiency has been raised, the relationships between the cadres and the masses has become closer and the masses' burdens have been lightened.

Now, Xindu County has basically completed the reform of the village and production team management system and is further perfecting the systems of dividing work between the party, the government and the mass organization and, of performing each one's duties and the cadres' personal responsibility system.

CSO: 4007

## CUT UNREASONABLE BURDENS ON PEASANTS

HK030404 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 2 Apr 83

[Station commentary: "Don't Set Indiscriminate Impositions and Quotas on the Peasants"]

[Excerpts] Since the institution of production responsibility systems in the rural areas, the egalitarianist notion of some people in taking the fruits of the labor of others is now being eliminated. The peasants are extremely happy that they can earn more through working more.

However, there are still many ways of stretching out hands to the peasants. In some places, apart from the contracts being undertaken by the peasants, all kinds of unreasonable impositions and quotas are placed on them, with the result that the burden of some peasants is excessive. This is mainly because for many years quite a few comrades have been accustomed to requiring this and that from the peasants and to setting various quotas on them. Their concept of serving the masses has weakened. Not much education has been conducted in cherishing the masses' earnings from their labor. Some comrades hold that now the peasants have started to get rich, there is not much problem in making a few more impositions on them. Certain departments then shift onto the peasants expenditures they should be meeting themselves; or else they find all kinds of pretexts for arbitrarily raising various fees and charges, thus making the peasants' burden excessive.

We need to conduct education for the peasants in taking account of the interests of the state, the collective and the individual, and tell the peasants that they must bear reasonable burdens. And we must also remind the units concerned that, when they impose various fees and charges on the peasants, they must seriously study whether these are reasonable or excessive. They must certainly not shift their own expenditures onto the peasants under the pretext that this is the need of the state, thus increasing the peasants' burden.

CS0: 4007



## XINJIANG

### BRIEFS

XINJIANG PREFECTURE WHEAT SOWING--By 29 March, Bayingolin Monggol Autonomous Prefecture in Xinjiang region had sown spring wheat on 640,000 mu, 15,000 mu more than last year. Some 90 percent of spring wheat seeds had been sown, with chemical fertilizers added to irrigation water, and base manure had been applied sufficiently. Commune members have helped family members of martyrs and servicemen and households in difficulties do well in spring farming. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 31 Mar 83 HK]

CSO: 4007

LEGAL RIGHTS OF SPECIALIZED AND KEY HOUSEHOLDS GUARANTEED

Beijing ZHONGGUO NONGMIN BAO in Chinese 8 Feb 83 p 1

[Article: "Zhejiang Continues Actions to Liberalize Policies. Safeguards Legal Rights of the "Two Households" and of Partnerships"]

[Text] Recently Zhejiang Provincial CPC Committee secretary, Chen Zuolin [7115 0155 7207] declared unequivocally at the Provincial CPC Work Conference his intention to safeguard the legal rights of specialized households (or key households), and partnerships, and stipulated the following regulations: (1) Cadres may not use their authority to seize their property or to extort their products at a low price; (2) it is not permitted to transfer their manpower or resources in an indiscriminate and egalitarian way nor to take their money or grain on any pretext whatsoever; (3) it is not permitted to force persons into partnerships; (4) it is not permitted to contravene the principles of voluntary participation for mutual benefit or democratic management within partnerships, nor is it permitted to interfere arbitrarily in management systems and distribution methods. (5) It is not permitted to damage their production or their equipment, and any destructive acts of cheating, villification, or thievery shall be handled by legal departments according to the law.

Chen Zuolin also declared that: (1) barren mountains, unused waters, and small ore lodes suitable for commune member operation are to be contracted to specialized and key households under unified national or commune and brigade plans, or else operated in partnership with them. However, regulations for equitable use and protection of resources have to be formulated.

(2) Idle and unused buildings, warehouses, and equipment in communes and brigades may be contracted for their use, or can be transferred to their ownership at a converted price. (3) They are to be permitted to purchase agricultural product processing machines, small tractors and motorboats. Planned sales of large and medium size tractors and trucks may be made depending on local circumstances and the supply of fuel. (4) Profits from

partnerships may be distributed on the basis of work or, alternatively, they may be distributed primarily on the basis of work, with a certain proportion being simultaneously distributed on the basis of money invested in shares. (5) Specialized households may withdraw from the contracting of cultivated land, or they may transfer contracts for the land, but they may not rent or sell the land. (6) Preferential treatment in wages and emoluments may be given people in partnerships who possess administrative ability and special skills. (7) Questions about hiring assistants are to be handled in accordance with the provisions of pertinent Central Committee documents. (8) Where outstanding households that have become prosperous through labor have been wrongly treated, correction should be made.

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